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# Latin America Report

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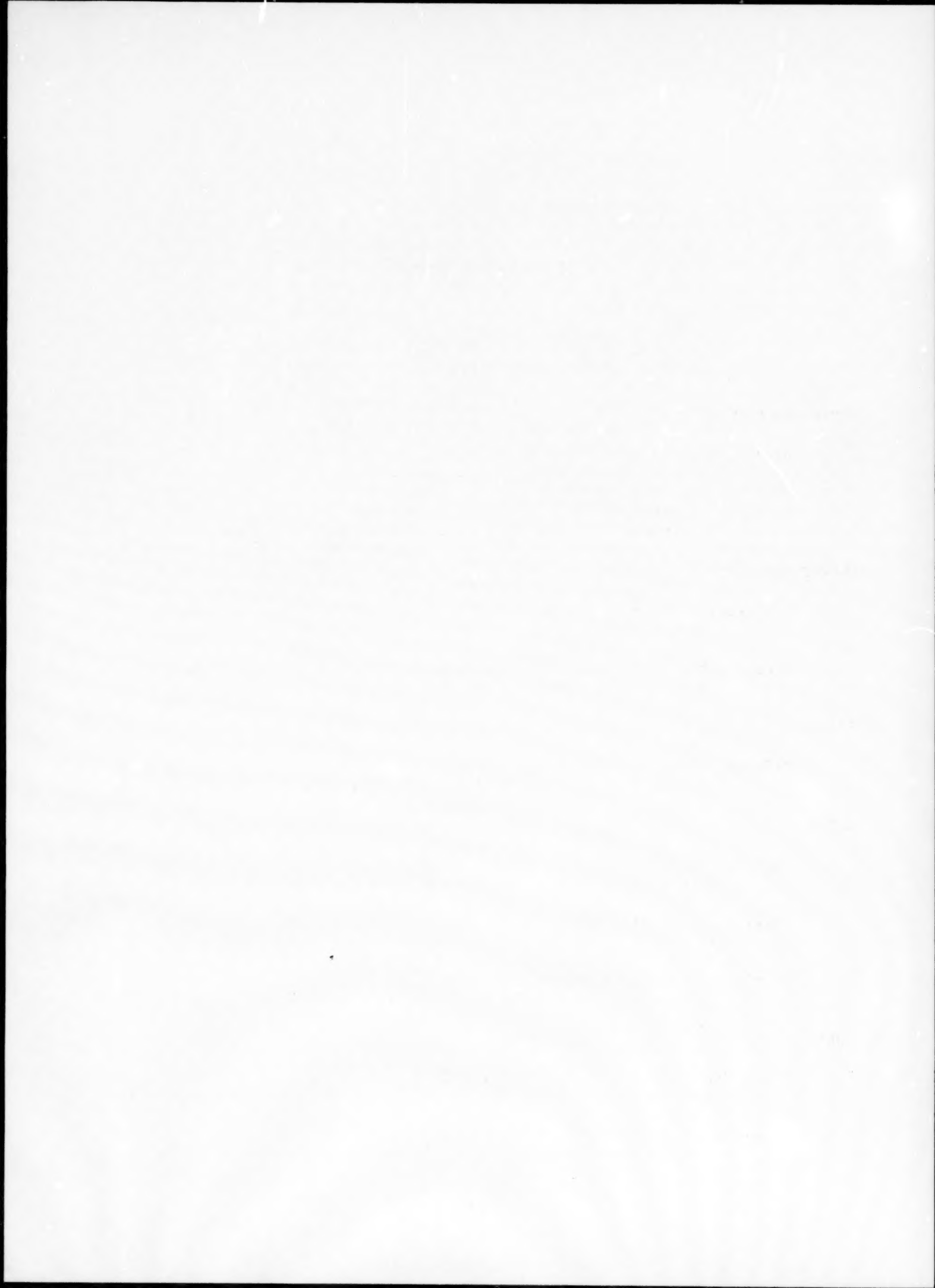
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25 October 1984

## LATIN AMERICA REPORT

## CONTENTS

## INTER-AMERICAN AFFAIRS

Brazilian Carrying Out Broadcast Survey in Suriname (DE WEST, 24 Aug 84) .....	1
Suriname Expecting Arrival of Brazilian Armored Vehicles (DE TELEGRAAF, 3 Sep 84) .....	3

## ARGENTINA

Political Observer Speculates on Possible Cabinet Changes (Joaquin Morales Sola; CLARIN, 9 Sep 84) .....	4
German Lopez' Political Influence Reportedly on Decline (Tabare Areas; SOMOS, 21 Sep 84) .....	11

## BRAZIL

Defense Industry Analyzed (Joao da Cruz Payao; TECNOLOGIA MILITAR, Jun, Jul 84) ...	17
--	----

## CHILE

Party Leaders Respond to Pinochet Initiative (EL MERCURIO, 21 Sep 84) .....	40
Party Law Bill Still Under Study (EL MERCURIO, 21 Sep 84) .....	43
Parties Comment on Economic Measures (EL MERCURIO, 21 Sep 84) .....	45

## CUBA

Trade With USSR Up 38 Percent Since 1960 (Serafin Marrero; BOHEMIA, No 34, 24 Aug 84) .....	47
Advertising Defended for Sale on Unused Goods (Alberto Pozo; BOHEMIA, No 32, 10 Aug 84) .....	48



## GUATEMALA

Problems in Domestic Energy Sector Discussed (EL GRAFICO, 15 Aug 84) .....	52
---	----

## HAITI

Proposed Budget To Promote Investment, Monetary Stability (Frantz Merceron; LE NOUVEAU MONDE, 23 Aug 84) .....	54
---	----

## MEXICO

PRI State of Mexico Candidate Selection Marred by Violence (EXCELSIOR, various dates) .....	59
--	----

Conflict Over Naucalpan Precandidate, by Guillermo C. Zetina  
Motolov Cocktails Thrown, by Manuel Lino Ramos  
Town Halls Seized, by Manuel Lino R.  
Groups Seek State Governor, by Aurelio Ramos M.  
Complaints Explained, by Manuel Lino R.  
Candidates Approved  
Continued Town Hall Occupations, by Manuel Lino R.  
Reconsideration of Nominations, by Manuel Lino R.

MSGR Priggione Opposes Clerical Political Activities (EXCELSIOR, 27 Aug 84) .....	77
--	----

Ciudad Obregon Bishop Defends Businessmen's Prerogatives (EXCELSIOR, 20 Aug 84) .....	78
--	----

PRI Federal District Campaign Aims To Ease Economic Hardship (EL DIA, 15 Sep 84) .....	82
---	----

Briefs Bilingual Textbooks .....	84
-------------------------------------	----

## NICARAGUA

ANAPS Secretary General on Socialist Solidarity (Leonel Urbano; BARRICADA, 17 Sep 84) .....	85
--	----

Leticia Herrera on Strengths, Weaknesses, Limitations of CDS (BARRICADA, 9 Sep 84) .....	87
---	----

CST Assembly's Resolutions in Wake of Labor Disputes (EL NUEVO DIARIO, 10 Sep 84) .....	91
--	----

Paper Blames Speculators for Labor Problems (Editorial; EL NUEVO DIARIO, 10 Sep 84) .....	94
--	----

PERU

Conference on Native Communities Seeks Government Help  
(Victor E. Rodriguez Olachea; EL COMERCIO, 19 Sep 84) .... 96

First Semester Loans Down From Last Year  
(EL COMERCIO, 19 Sep 84) ..... 98

Briefs  
Morales Backer Said Narcotrafficker 100

SURINAME

Briefs  
New Ambassador to OAS 101

## INTER-AMERICAN AFFAIRS

### BRAZILIAN CARRYING OUT BROADCAST SURVEY IN SURINAME

Paramaribo DE WEST in Dutch 24 Aug 84 p 1

[Text] Engineer Gustavo Stangler, expert from the Brazilian Radio Broadcasting Company (Radiobras), is currently staying in our country.

Mr. Stangler, in cooperation with experts from Telesur [Suriname Telecommunications Company] is carrying out a survey concerning our broadcasting network. This, along with other things, fits entirely within the framework of the media policy formulated by the minister of General Affairs, Doctorandus W. Udenhout, and stems from agreements that the minister of Public Works, Telecommunications and Industry, Engineer Eric Tjon Kie, made with his colleague in communications from that country, Engineer Haroldo Correo de Mattos, during a visit to Brazil last June.

#### Restructuring the Radio Network

The desirability of restructuring the Surinamese radio network stems, in part, from the fact that the 30 percent of the population who live and work in rural areas are not furnished with information in an optimal manner. Engineer Stangler has made recommendations with regard to the implementation of transmissions in the medium and short (tropical) wavelengths, which could be received throughout the entire country.

In the process, especial attention has been paid to formalizing the method of approaching the allotment of air time, while also taking into consideration the large investments that accompany the establishment of each new radio transmission installation and the foreign exchange aspects connected with this.

The proposed restructuring of our radio network is organized into two phases. In the first phase, the efficient employment of existing transmission apparatus will be maximalized, while, in the second phase, establishing a shortwave radio broadcasting network, that will cover the entire country, will be taken up.

#### Involvement of Local Broadcasts

Within the framework of the survey, discussions were conducted with the local radio stations, while Mr. Stangler and his Surinamese counterparts personally

oriented themselves with regard to the transmission apparatus being used and made recommendations. Various measurements were made on location in Paramaribo, the districts and in the interior.

The Radiobras expert will depart to return to his country next Monday.

12507

CSO: 3214/59

INTER-AMERICAN AFFAIRS

SURINAME EXPECTING ARRIVAL OF BRAZILIAN ARMORED VEHICLES

Amsterdam DE TELEGRAAF in Dutch 3 Sep 84 p 6

[Text] San Paulo, Monday--In two weeks, the Surinamese army will have six brand-new Brazilian armored cars of the Cascavel- and Urutu-type at their disposal, both equipped with a formidable 90 mm cannon.

Armored cars of this type are being used by the armed forces of many Latin American countries and also by such others as Libya, Iraq and Yugoslavia.

In addition, 19 military trucks, which Surinamese army leaders hope will increase their units' mobility, will be arriving in Paramaribo. These vehicles, along with 3,225 cases of sidearms and ammunition are currently on their way to Suriname in the Chilean ship Dungernass, that left the other day from the Brazilian port of Saboo.

The Cascavel and Urutu armoured cars were ordered by the Surinamese in May 1983. The army's chief of staff, Captain Graanoogst, was in Brazil at the time to discuss the details of delivery.

Suriname, however, will not have to lay a penny on the table. In May 1983, during the visit of a delegation headed by then Premier Alibux, an agreement was signed which makes it possible for Suriname to pay for its purchases from Brazil in goods.

According to Brazilian diplomats, the Surinamese had wanted to buy many more weapons, but lack of money made that impossible. In a very diplomatic manner, the Brazilians made it clear to the Surinamese mission that procuring modern landmines, 120 mm mortars and surface-to-surface missiles of the Astro-type was going a bit too far for a country without financial prospects.

12507

CSO: 3214/59



POLITICAL OBSERVER SPECULATES ON POSSIBLE CABINET CHANGES

Buenos Aires CLARIN in Spanish 9 Sep 84 pp 16-17

[Article by Joaquin Morales Sola: "A New Cabinet?"]

[Text] Is Alfonsin considering a change in his cabinet?

On the political map, there are two grounds for answering that question.

One: those who are not in the government (and they should include even the Radicals themselves who were left in the lurch without any consolation), and who claim on every side that Alfonsin is not a man to link his destiny with anyone else's.

The other: the Radicals who are governing and who have made silence a sometimes disconcerting and sometimes pathetic altar, preserving the unique ceremony of power.

The week that has elapsed might be the laboratory test, filled with signs for any brain endowed with political insight; the essential quality of a politician is the one that no one would deny the president.

The CGT [General Confederation of Labor] strike was what it was: The workers from industry (those traditionally more aggressive) did not work, and the Argentines from the intermediate sectors worked.

The ambiguous result caused both the CGT and the government to raise the trophy of victory, uncertain like all political victories, at the same time.

The CGT could claim that it had represented the cause of a considerable portion of the labor sector, penalized as no other by the economic tragedy; the government could claim in contrast that, for the first time in a long time, a strike "did not turn Monday into Sunday."

Both concealed the other aspect: the CGT could not ignore the sizable group that did not strike, and the government could not overlook the opinion of the many who voiced their protest quietly and calmly, like Buddha.



The CGT top echelon would suffer from political blindness if it did not see reflected in the mirror a certain amount of challenge for its representative status, for one simple reason: many of the unions that did not strike have come from long labor disputes for reasons identical to those put forth by the trade union bosses.

The latter is, moreover, apparel that fits the government; only one with a feverish view of politics could imagine that those who did not adhere to the strike were tacitly displaying their support for the government administration's economic policies.

Those policies are the ones that have been in dispute (in the various forms of expression).

The important and almost innovative feature of that delirious action was everyone's freedom to do what they considered feasible for their interests; those who struck were free, and so were those who wanted to work. That natural right of any civilized society is news here, after the political hardheadedness of even recent times.

Another easy deduction: On Tuesday morning, Alfonsín was the same strong president that he was on Sunday night. A strike had not shaken the stability of a civilian government; the reality belied a prediction that was certainly dramatic and false.

The marks left by that strike arrived like exciting bad news for the internal struggles within the government and the trade unions themselves.

The president met on Monday night with an intimate group of advisers (Casella was not present) to evaluate the strike.

Their individual and partial view of the strike and the labor minister's absence from that meeting convinced him: German Lopez, the old gladiator against the Peronist leadership, had found the time propitious for attacking Casella mercilessly. "They would not do that to me if I were minister," he remarked enthusiastically at dawn on Tuesday, while striking at the sectors that had adhered to the strike with insults.

But Casella was not dead, far from it; other storms were approaching and the general secretary of the presidency was in the midst of those winds.

Beyond what he may think privately, could the president share politically in the abuse of those who had left the smokestacks of the country's leading industrial belts smokeless? Could he trigger a definitive war, without quarter and without groundrules, against the leaders who control the trade union structure?

Buenos Aires Rose Up

But there was another point which is extremely useful for the Radicals: The province of Buenos Aires, the most important district for that and any other

party, rose up in a bloc to support Casella, who comes from the forceful, temperamental Avellaneda.

Senators Otero and Gass, from the Buenos Aires Alfonsinist movement itself (also situated for many years in the heart of Alfonsin); the defense minister, Raul Borrás, leader of Pergamino and one of the president's most trusted associates; and the former Ralbinists, Troccoli and Pugliese, immediately gathered around Casella; without a partisan structure, German Lopez had been left alone.

Those individuals have different political designs, and there are also other internal differences (Borrás has long-standing scores to settle with Lopez since the times when they shared Alfonsin's entourage, when he was crossing the political desert); but they were united at that time by the common foe embodied by German Lopez.

Casella's meeting with Alfonsin aired the discord: "I have no room, President," implored the minister. He had spoken with obvious rage against the general secretary of the presidency.

The head of the government reacted immediately, explicitly backing Casella and implicitly discrediting German Lopez; the latter spoke later with Alfonsin and received a lengthy reprimand. They say that nearly 2 days elapsed before he could see him again.

The trade unionists need German Lopez: only he could quickly weld the splits that the strike had caused.

The leaders of the services unions felt that they had the right to reproach the industrial unions which had been correct in their prediction: Their members were unwilling to carry out a strike decided upon only 5 days earlier.

The industrial unions criticized something else in the services unions: They are always the ones who carry the weight of the uprising.

There were certain suspicions on the very top level: Ubaldini felt that he had not been followed during the past 72 hours by the other three members of the CGT leadership. "They left me alone," he was heard to comment.

A vestige of that embryonic battle was perhaps the statement by Triaca, the other leader of the labor confederation, when he explained that the latest CTG document "was not agreed upon by the board." Was it perhaps decided on by Ubaldini alone?

Be that as it may, all of German Lopez' statements were protected like a block of cement; there was no longer any uneasiness among the unions of different extractions, nor was there a battle for the political room at the top. He had succeeded in changing the boundaries of destiny.

They claim that Lopez has acted on the basis of the old reflexes of a student leader since 1945, when Peron was confronted with the classrooms, and of a

fighter under unequal conditions with the trade union movement's Vandorist leadership during the government of Arturo Illia. He prefers the intransigence of dogma to political heterodoxy.

But he is very close to the president, and their views can be easily confused. "No, that is not what Alfonsin thinks," the president's spokesmen are tired of explaining; things that are unnecessary are not said, and that explanation became essential at times during the past few days.

German Lopez' saber blow will not leave the union leadership protected forever; intermingled therein is also the fundamental dispute in the Peronist movement, as well as the different, conflicting plans for extricating it from the paralysis caused it by the electoral defeat.

It was a noteworthy event that Senator Vicente Leonides Saadi, lacking a national structure, who won by a narrow margin in his province, Catamarca, should emerge with the leadership of the Justicialists' major bloc in the Senate, where it retains its first minority.

Until recently, Saadi had won in all his strategies (essentially, when he succeeded in curbing the Radical government's first labor union law); and he has not confronted the winners: "In politics, that is tantamount to betrayal."

But during recent weeks he has had two glaring defeats: the consultation on the Beagle, which the Senate approved with Peronist opposition; and the agreement on military promotions which that same bloc was challenging partially.

The Peronist movement has a military man as its creator: Those old ties have been resented since the Justicialist position in the Senate; it was not without reason that the Peronist bloc challenged half the generals who are now members of the Army leadership.

Between success and failure, there is another boundary separating the paradise of the murky corners of politics: Has a process begun in the Senate to undermine Saadi's leadership?

The Congress spread the stain of the scandal when it intervened in the 500 square meters of the law office of Klein, the man who was Martinez de Hoz' right-hand man during his entire administration.

Matters have become blurred: Perhaps a search warrant was necessary and that procedure was confused with the discovery of documents of uncertain significance pertaining to the battle against subversion.

They claim to have found a computer whose memory retains the possible defense of Martinez de Hoz, and a monumental safe (a structure with coded locks and metal-plated walls).

Martinez de Hoz' economic leadership has an old debt to settle with Argentina, which is overly large in its political and ostensible weight; if the honesty of the procedures was not provided for, he has been given an unnecessary formal argument to conceal the essential guilt.

Why put that political judgment in the same category as the battle against intolerance?

That suppression had precise, uniformed leaders; should Martinez de Hoz be the standard-bearer of that battle now, turning him into a saint for the devotion of many of the military?

It is not true that the president has expressed disagreement with these searches: "To date, he has not said a single word," it was stressed.

He will have to say it tomorrow: A senatorial commission searched the law office of attorney Odrizola, current secretary of justice of the nation and former defender of the Greco family, when it fell into disfavor. The search was made on the basis of the investigations of the former, all-powerful economic leadership.

But Odrizola belongs to the president's government, although his administration has not been approved recently. Will he resign after such a mishap? Will the government suggest a conflict of authority with the Congress? Sometimes there is not much choice between heaven and earth.

#### The Strike and Inflation

Alfonsin's political insight must necessarily have led to the labyrinth of reflection; navigating at that level means knowing when one could lose sight of the shore of history.

Business owners and trade unionists have agreed to sit down at the bargaining table, but they have not lowered the tone of their criticism on that account.

Technical teams from the the three sectors (including the government) will work for 2 weeks to make a diagnosis. The top echelons of the three sides will closet themselves for days (possibly in Bariloche?) to finish the political analysis and to establish the economic and social guidelines for a fundamental program.

To have succeeded in joining business owners and trade unionists during a symptomatic week was a herculean task; there had been a labor strike and the highest inflation rate since April 1976 had been disclosed.

The 22.8 percent rise in the cost of living has not occurred alone; it means that we have an annual inflation level of 650 percent. The world has not witnessed many experiences like this, and hence its consequences are unknown. "This dissolves the social fabric," pontificated the president.



Grinspun's anti-inflationary measures have been like grabbing a lion by the tail: "He based them on prices," sneered his adversaries.

Alfonsin has been talking about his battle against inflation since the time of the election campaign. "We shall not leave that battle to the liberals," he used to say.

He also discussed, and is still discussing production and investment; the circular letters from the Central Bank generally take exactly the opposite direction.

That disagreement between German Lopez and Casella could upset the executive control of the government if the basic policy lines remain indefinite and confused.

All these elements should be included in that reflection of the president, despite the fact that Alfonsin never disliked observing how the dissimilar sides of the Radical mainstream move, play and intermingle; but it is one thing to be an observer, and being a victim is something else.

The status of the supposed shifts in the cabinet has the mysterious tinge of things that have not come into existence; if there is a reflection, it is only that, a reflection.

The rumors that are circulating might be described as wild and futile. Will Troccoli be the future minister of economy after the agreed-upon program has been devised? Will Borras be interior minister to make further use of the paralytic political puppet from which he speaks with military discipline? Will Jaurarena, the current defense secretary, start holding the seat left vacant by Borras' removal?

In this aspect of the question, everything is conjecture; and hence the results could prove to be as different as has been indicated by the throng of officials generating their own ambitions and the expectations of others.

The only one who is going is Casella; he will return to his home and to the party contests during the period between the middle and end of October. His fate could offer him, over the long term, a national senate seat or the governorship of Buenos Aires Province; over the short term, it is possible that he may attain the chairmanship of the Radical strategic committee in that province, which has been vacant since Pugliese's resignation last week.

Who will be his successor?

Some Radical youth sectors (associated with Federico Storani, Conrado's son) seem to be promoting the present undersecretary, Bigatti; while Casella himself would be more inclined toward another undersecretary in his ministry: De Martino.

The president may have an "in pectore" candidate: namely, Deputy Balbino Zubiri, current chairman of the Lower Chamber's defense commission. He is an old friend of Alfonsin's, who was secretary of the Buenos Aires committee when it was chaired by Alfonsin, between 1963 and 1966.

The only obvious thing is that the Ministry of Labor appears to have turned into a property of Buenos Aires Province: Bigatti is leader of Mercedes, De Martino of Quilmes and Zubiri of Tandil.

Based on this succession, German Lopez set forth into a merciless battle, in the belief that Casella, in the personal fencing with him, had lifted his arm and might cross his heart. Lopez' candidate did not even show his head.

If such reflections flourish, when would the changes be decided upon?

The few friends of Alfonsin who are willing to discuss the matter claim that the anniversaries will have to be taken into account: "He will respect the customs," they predict.

30 October, perhaps? Possibly 10 December? Maybe after the consultation regarding the Beagle if the government emerges successfully?

This too should be going around in the president's mind during his duel with solitude at the last summit, in his long conversation with silence.

2909

CSO: 3348/3



GERMAN LOPEZ' POLITICAL INFLUENCE REPORTEDLY ON DECLINE

Buenos Aires SOMOS in Spanish 21 Sep 84 pp 48-51

[Article by Tabare Areas: "German Lopez, Alfonsin's Other Self?"]

[Text] He is the most controversial member of the government and, every time he speaks, he triggers a political storm. He has known Alfonsin since 1957, but now many doubt that the president thinks the same as he does about the trade unions and Peronism. Others claim that he no longer has any power, yet all the key documents pass through his hands.

Before Raul Alfonsin won the elections, German Lopez was playing a role very similar to the one discharged for years by Enrique Vanoli with respect to Ricardo Balbin. The two (Lopez and Vanoli) were leaders with little political influence of their own, and with little inclusion in the party structure; but with great strength when it was time to voice opinions. That strength came from the absolute confidence given them by their respective chiefs, and this kind of management came to be virtually a style among the Radical top echelon during the past decades. When reporters did not have Balbin or Alfonsin handy to question, they would resort to Vanoli or Lopez, certain that they would say exactly what their chiefs thought, without a margin of error. Balbin died without becoming president, but among Radicals it is said that, had he occupied the House of Government, Vanoli would have been the general secretary of Balbin's presidency. However, Alfonsin did arrive at Balcarce 50, and German Lopez did become general secretary.

At present, Lopez (son of a militant Socialist garment worker, who met Alfonsin in 1957) is the most controversial official in the presidency, and the one who triggers a political storm every time he speaks seriously with a reporter. His adversaries claim that, "He is a time bomb that Raul has in the government," and his friends say that, "He is the one who watches to see that no change is made in the Radical platform by the government." According to the trade unionists (of course), he is a "gorilla," to whom all sorts of labels can be attached. But what none of them can deny is that German Lopez is a major authority figure at the Casa Rosada.

At one time, halfway through the election campaign, when he was emerging from one of the long party meetings, Lopez told Alfonsin, who was showing signs of

fatigue, but was enthusiastic over the course that events were taking, "You will succeed in becoming president of the republic, but what you will not succeed in is having me as labor minister." That comment was supplemented by another: "I'll be very happy on that day, accompanying you to the House of Government, but afterwards I want to take the subway and, very slowly, return home to engage in reading and writing."

Of Lopez's three predictions, only one was fulfilled, and that Radical constant mentioned at the beginning of the article was a reality: Lopez was seated in the office of the general secretary with the rank of minister, enjoying the president's most absolute confidence.

But, starting then (strangely enough), a change began to take place which did not go unnoticed: Lopez ceased to be Alfonsin's "double," and lent a personal touch to his interpretation of reality, not always having ideas similar to those professed by the president, although he was always at his side.

#### A Little Recollection

Toward the end of July, the government was making all kinds of efforts to get the CGT [General Confederation of Labor] trade unionists to the bargaining table. Ministers Antonio Troccoli and Juan Manuel Casella held secret public meetings with the trade union leadership, negotiating gradually on the conditions that would prevent CGT from leaving the government and the business owners in the lurch. The negotiations went on and (finally), a game was fostered wherein it was the government that was most worn-out. German Lopez did not speak for awhile, until he decided to take a step forward and shake the board. "There are union leaders who have served as betrayers of their own comrades and who were punished with death." In an interview that was aired on Radio Belgrano, Lopez also remarked: "For the arrest of certain labor union activists there was cooperation from business owners and trade unionists in the confidence of the military regime."

With this heavy-caliber ammunition, Lopez came in confrontation with Saul Ubaldini, who had refused to participate in a meeting on settlement at the university where the labor minister, Juan Manuel Casella, was present. Ubaldini retorted, and Lopez (this time over Radio Mitre) struck again: He suggested to Ubaldini that, "instead of criticizing my statements, he should concern himself with explaining the assassinations of union leaders before and during the military government."

By then it had already been obvious that Lopez did not agree with the way in which Casella was attempting to carry out Alfonsin's order on the settlement. Politically speaking, Lopez is "hard" and Casella, like Troccoli, is "soft," a man who does not want to clash with the Peronists. A great deal of water (and action for rapprochement) had to go under the bridge before government-trade union relations would return to their ostensible normality. The trade unionists attended the settlement, but they never forgave German Lopez.

In a louder or softer tone (depending on who made the comment), it was claimed that "Lopez is alone in the Radical Party; he does not have Alfonsin's backing and his views are no longer those of the president." The argument seems difficult to accept unquestioningly as soon as one peruses history a little. Lopez is linked with that group of Radical officials, most of them young (Bernardo Grinspun, Roque Carranza and Conrado Storani, among others) who saw the collapse of Arturo Illia's government, caused not only by the blow from outside, but also by the weaknesses of the party itself, which could not even mobilize its members.

"Since then, there has occurred the estrangement with Troccoli and Pugliese," remarked a long-term expert on the Radical internal situation, "because German's followers accuse them of abandoning Radical causes on which there can be no yielding in order to achieve a by no means enduring agreement with the Peronists." When the national strike ordered by CGT on 3 September came, Lopez again confronted the trade union leadership, exchanging accusations with Saul Ubaldini under the not at all serene gaze of the entire government team.

#### From Home to Work

Lopez' life is not a prototype of the government official's in Argentina. For the past 30 years he has resided in a middle-class apartment in the "Workers Household" building at Rivadavia and Angel Gimenez, in Caballito. A few minutes before 0700 hours every morning, he goes down the 19 floors that separate him from the ground floor, and leaves, heading for the Casa Rosada. He once said that it was his intention to arrive before the president, but he admitted that, "I often arrive and Alfonsin is already in his office. He has an enormous capacity for work." Lopez has a doctorate in chemistry received from La Plata University, where he arrived after having worked 6 months as an oil worker, carrying down drilling rods in Comodoro Rivadavia. "I went to work as a chemical technician, and I ended up hanging from the oil derricks, because they made me serve as a worker," he once admitted. Later, he worked 30 years for the Palmolive Company (he was laboratory chief, production director and manager), spending the rest of his time in political activity. During the Illia administration, he was undersecretary of labor, although now everyone recognizes that it was he who devised and managed the labor strategy promoted by Minister Fernando Sola. Since that time, the Peronist trade unionists have claimed that, "Lopez is a gorilla." And, to give some explanations, they recall that Lopez was chairman of the Argentine University Federation (FUA) during 1954-45, that he was arrested for being a "contrera" in 1953 and that in 1957 he was national director of labor.

Lopez' activity in the general secretariat is complex and, despite the number of documents passing through his hands, his desk is never filled with papers. At most, there are a few files, newspapers abundantly marked and the folder containing his schedule and the president's activities in the office that forms the corner of Rivadavia and Paseo Colon. Passing through Lopez' hands are all the documents produced by the president, those submitted to the Legislative Branch and all the Casa Rosada's coordination with the other

government ministries and offices. Passing through that office often are politicians and trade unionists (such as Raimundo Ongaro, Jose Baez and Hugo Barrionuevo), who exchange views with Lopez.

In the presidency, the official does not belong on the list of "sympathetic Radicals," but quite the contrary. His collaborators usually say that he is demanding but honest. One of the secretaries at Balcarce 50 remarked: "A man who makes the purchases personally at the Workers' Household building, and has not changed his apartment, cannot leave any room for doubt."

#### Yesterday and Today

Nowadays, it is usually claimed both inside and outside of the government that Lopez no longer faithfully reflects Alfonsin's thinking; but the fact is that the general secretary continues to enjoy the president's complete confidence. In the intimacy of the Casa Rosada, when the two are alone, Lopez addresses him in the familiar form, calling him "Raul," a situation that is reversed at cabinet meetings, when a proper "Mr President" is used. There are signs that the president's confidence is still intact: Not long ago, Alfonsin ordered a room divider installed in the corridor of the first floor of the Casa Rosada, that would connect the entrances to both offices. Purpose: so that Alfonsin and Lopez could cross from one office to the other without being seen by curious employees. In that realm, Lopez is still the president's right-hand man, and his genuine shadow when it is time to move any mainsprings of power. Unlike the style cultivated by many officials from the older Radical lineage. Lopez is a born executive; he solves problems on the spot; and within the presidency he holds extensive dialogs with presidential adviser Fernandez Burgos.

It is usually claimed that Lopez' hardline position against the Peronist trade unionist top echelon ("the street gang," as it is called in the first floor offices) is a result of anger over the role that the trade unionists played in the downfall of Arturo Illia, when he was secretary of labor, and that this is the origin of his grudge against Augusto Vandor and Jose Alonso.

It would appear that there are other more deepseated reasons. Those who claim to know him well say that Lopez inherited from his father (a Socialist garment worker) the image of what the organizations and leaders defending the workers should be like, wherein they could be no luxury, sinecures or waste. "That is why he cannot stand the life style of Triaca, Cavallieri or Ubaldini," commented an old acquaintance. The same sources say that Lopez has never let himself be tempted by luxuries or prerogatives of the state bureaucracy. One anecdote fully depicts his personality. On a Sunday morning during this cold winter, a friend arrived at the apartment on the 19th floor of the Workers' Household building. The atmosphere was rather cool, and the friend asked: "Isn't the heat on?"

"No, it is not turned on. But what do you want me to do? The consortium doesn't allow the central heating to be turned on Sundays, and I have to put up with that."



Another friend recently confided: "German, on principle, mistrusts anyone who has money."

The political storm over the labor union strike and the disputes with Casella were surmounted, but there was a price for Lopez: The president is said to have asked him not to talk to reporters for the present, something that the secretary himself admitted when the newsmen approached him to ask (Alfonsin and Jose Ignacio Lopez were in Neuquen) what would happen to the law on banking stability. Since Lopez said that he could not make any statements, a news agency realized that this fact was news, and sent the wire to its subscribers.

#### Lopez Yes

Lopez himself admits that he arrived in the office of the general secretary of the presidency owing to the confidence that Raul Alfonsin has in him, and not because of his influence in the Radical organization. Although it is still insisted that Lopez is a "loner" (politically speaking), the fact is that he represents a trend of opinion in the government that is identified with the "hard" line. The undersecretary of economy, Rene Ortuno, came out in his defense in its argument with the trade unionists. He said: "Lopez' bad image exists because no one in Argentina speaks openly. When someone shows up who says what he thinks, everyone is horrified."

The Radicals are reluctant to say what they think of Lopez, both so as not to hurt feelings and not to add more fuel to the fire. In any event, it is known that, at the cabinet meetings and labor conclaves, for example, Roque Carranza and Aldo Neri usually agree with Lopez, in addition to the energy secretary, Conrado Storani, of course.

Another man who usually defends Lopez' arguments at all costs is the young national deputy, Roberto Sammartino, who does not let an opportunity escape for arguing with the Peronist legislators every time the trade union issue appears on the table. Also on his side are the former members of the Mucci labor team, Gabriel Matzkin and Norberto Troglio. Antonio Mucci, the former labor minister, is another one loyal to Lopez, although he does not hold that ministerial post now; and in his private informal talks, the general secretary usually includes Grinspun among his best friends.

#### Lopez No

The Peronist trade union leadership is an enclave of power that does not spare adjectives in virulently attacking German Lopez every time he opens his mouth. The trade unionists are convinced that he is a "gorilla" (an anti-Peronist to the death), and that it is the official's plan to oust them from the leadership of the unions, with or without elections. For example, Jorge Triaca claims that, "Lopez has remained in 1966, his present position is outdated, and it is a pity that he does not imitate the dialog-oriented example of other government officials."

Saul Ubaldini attended the celebrations marking metal worker's day at the UOM [Metal Workers Union] camping facility, and came out with one of the harshest criticisms that have crossed the political scene in recent months. Commenting on the government's appeal, he said: "We shall not reach agreement so long as German Lopez and the group of loafers around him are in the government." The tobacco union leader, Roberto Digon (one of the CGT strategists) responded to Lopez' assertions: "I have heard that, when we were confronting repression in attempting to have the workers' voice heard, he and other members of his party were visiting the offices of the tyrants."

On the internal front, those originating in the Balbinist movement are not getting along well with the general secretary either. For example, Juan Carlos Pugliese questioned him elliptically when commenting on the dispute between Lopez and Casella: "Now, we are in the government, not in the party. It is not helpful for this to be aired in public; it adds a factor for irritation."

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## DEFENSE INDUSTRY ANALYZED

Bonn TECNOLOGIA MILITAR in Spanish Jun, Jul 84

[Jun 84 pp 47, 48, 51, 52, 55, 56]

[Article by Joao da Cruz Payao: "Brazil and Its Defense Industry (II)"; part I of this article was published in the JPRS Latin America Report LAM-84-085, of 18 Jul 84]

[Text] A good, accessible price, and advanced technology, simplicity and the possibility of acquiring the necessary components on the domestic market itself, without resorting to imports, are some of the reason's for Brazil's success in this area.

It should also be emphasized that these Brazilian weapons factories, which are being created and reinforced, and which are often already at the height of prosperity, are appearing precisely at a difficult time of crisis. And this is due to the fact that the majority of them also have a production line of materials in a civilian category, which they almost always offer with support for the weapons sector, providing it with the conditions that it needs in order to thrive.

### Development

An example of the foregoing might be Bernardini Commerce and Industry. Nearly a century old, since its founding it has been engaged in steel manufacture. It is currently manufacturing, in addition to security doors for safes, special bodies for vehicles used on highways and, since the 1960's, military vehicles.

ENGESA (Specialized Engineers, Inc), manufactures civilian vehicles, farm tractors and trucks and, in addition to these products which it still produces, it is now making armored battle tanks on wheels, and it is known as the largest producer of that type of vehicle in the entire Western world.

HYDROAR, previously engaged in the production of valves for air compressors, is now also producing 57 mm recoilless guns, replacement parts for 106 mm recoilless guns, flame-throwers and tear gas systems.

NOVATRACCAO manufactures inflatable forms for civil construction, inflatable floats, and pneumatic conveyor belts for agricultural and industrial use. It also makes and recovers chains for light and medium battle tanks, and "half-tracks."

D. F. Vasconcelos manufactures countless components for all these Brazilian weapons. But at its beginning, during the 1940's, it was a manufacturer of precision optical instruments, a line that it has continued.

The Brazilian Shell Company (CBC) makes shells for light weapons with calibers between 22 and 50 mm, and 20 mm for the Oerlikon gun.

Those possibilities of converting activities in the military industry branch into materials for civilian consumption, and vice versa, have provided the Brazilian defense industries with great security.

There is a reason for their having gained the approval of consumers. In addition to maintaining an efficient system for parts replacement, the producers almost always offer a guarantee on ordnance sold, as is done in the case of manufactured items for common use (vehicles, household appliances, etc.) . This lends great reliability to the defense equipment sold by Brazil.

#### Industrial Parks Are Created

Starting under the government of President Vargas, and later under that of Juscelino Kubitschek, there was a considerable change in the situation of Brazilian production. Under the former, blast furnaces were built in Brazil, at Volta Redonda, in the state of Rio de Janeiro, to produce iron; and, 15 years later, in 1955, Juscelino established the automotive industry as a possible option for solving another problem, that of transportation. At that time, the Brazilian economy was essentially agricultural with coffee as the leading export product. The state of Sao Paulo was the largest coffee producer, and its capital was the largest industrial center in Brazil and all of Latin America. The great city, which had the services of the port of Santos, was already filled with industries which, for various reasons, it had to decentralize. Apart from Sao Paulo, there were a few "islands" of prosperity: Rio de Janeiro in the state of the same name, and Belo Horizonte in the rich state of Minas Gerais. Outside of this industrial triangle: Sao Paulo, Rio de Janeiro and Belo Horizonte, the vertices of which lie at relatively short distances, there was only Porto Alegre and, in the northeast, Recife.

The communications systems and transportation were in a precarious state. Under the government of Marshal Eurico Gaspar Dutra the modern freeway which adopted his same name was built, connecting the two major industrial centers which, in turn, had available Brazil's major ports, thus doubling the routes for the shipment of products; inasmuch as the track of the Central Railroad of Brazil was in the same direction, in its main section between Sao Paulo and Rio de Janeiro.

The Sao Paulo industrial center quickly expanded in that direction and, near there, Sao Jose dos Campos became a major center for the automotive industry and aeronautical construction. ENGESA, EMBRAER [Brazilian Aeronautics Company] and AVIBRAS [Brazilian Aviation] became established in Sao Jose dos Campos; what made the building of those factories possible was the existing local infrastructure, capable of withstanding their operation. The Sao Jose dos

Campos industrial park expanded rapidly with the advent of the components plants. At present, the closest cities are also industrialized; for example, ENGESA categorizes 850 firms as suppliers or subsidiaries, and IMBEL [Ordnance Industry] has over 300.

Hence, the previous situation, regarded as unfavorable, has changed. The distance between the industrial parks made it possible to set up branches of the major industries in different locations. To cite an example, Taurus, Inc, which produces pistols and machine guns of low caliber, and which boasts of making anything assigned to it in the field of portable weapons, has plants in Sao Paulo and Porto Alegre (Rio Grande do Sul); and it has now become associated with IMBEL to manufacture the 5.56 mm rifle that will replace the 7.62 mm FAL.

EMBRAER has production lines in San Jose dos Campos and Botucatu.

CBC (Brazilian Shell Company) has its plant in Santo Andre (Sao Paulo), and is currently building modern facilities in Ribeirao Pires (in the same state).

HYDROAR, located in Greater Sao Paulo, is finishing the construction of new facilities in Cumbica, to which it will transfer its defense equipment production line and where it will occupy an area of 4,000 square meters, with a potential for further expansion. The same thing applies to AVIBRAS, which is eager for space in order to expand.

Thus, the Brazilian weapons industry is located primarily in Sao Paulo, where it has been well disseminated; but also in Rio de Janeiro, Rio Grande do Sul and Minas Gerais as well; where their security and, simultaneously, their well connected axes, facilitate exporting by sea and air.

For its clients in the developing countries, the Brazilian defense equipment industry produces a gamut of weapons ranging from light to infantry, and their respective ammunition, up to heavy weapons such as the 90 guns or saturation rockets manufactured by AVIBRAS Aerospace; as well as the broad, varied range of single and multiple self-propelled missiles and launchers, and short, medium and long-range systems. It produces explosives, powder and propelling mechanisms, tear gas grenades and, at the same time, manufactures electronic communications equipment and equipment for electronic warfare, in addition to military and combat training planes, gliders and helicopters, and patrol boats. This feature, in addition to allowing for accessible prices, has lent a self-sufficiency, and, what is more important, independence, to the Brazilian defense industry, thereby ensuring its strengthening and inspiring confidence in the consumer.

#### The State's Influence

The government support to that industry, nearly all of which is in the private enterprise category, is provided by small orders from the Armed Forces and strict control over a large number of firms, requiring high quality. In 1976,

IMBEL (Brazilian Ordnance Industry), a state organ associated with the Ministry of Army, was created to stimulate private enterprise, to cooperate in the planning and coordination of ordnance manufacture, to develop and transfer technology for private enterprise as an incentive for the establishment of new industries and to combine the factories existing in the Ministry of Army into seven. When the first phase of its existence had ended, the management of IMBEL was promptly turned over to engineer Jose Luis Witaker Ribeiro, also director of the fortunate ENGESA; and now it has started exporting the equipment that it had been using to bolster the Brazilian Armed Forces.

The already existing Aerospace Technology Center (CTA) of the Ministry of Aeronautics has more recently merged with the Army's Technological Center, with authority similar to that of its counterparts, with regard to weapons technology. Currently, its conversion into a department of the Ministry of Army, directed by a general of senior rank, is being studied.

In the Brazilian Army, the Military Engineering Institute [IME] was a pioneer in the training of weapons engineers, together with the Technical Institute of Aeronautics (ITA); and their two advanced engineering schools are the best known in the country, with the engineers trained in them fought over by the country's best industries.

Therefore, the Brazilian weapons industry's outstanding position is no coincidence; and although its rise may seem recent, it is based on its experience of decades.

#### The Pioneer Companies

Before continuing, it is only fair to discuss the pioneers, ENGESA, EMBRAER and AVIBRAS. In the field of aviation, it would be unfair not to mention certain manufacturers who have been virtually handcrafters of airplanes since the first decade of the century.

Airplanes have been manufactured in Brazil uninterruptedly since 1910. They were first mass-produced by Brig Gen Antonio Guedas Muniz. This mass production continued with Henrique Lage, Francisco Pignatari and Jose Carlos Neiva. The majority of them were for training, both biplanes and monoplanes, with one, two, and even four engines. Often, adverse circumstances, such as World War II, dictated the production rate in the factories where they were built; but the losses did not prevent this sector from accumulating a considerable amount of experience, because in those heroic times of aviation, there were major series of those planes, such as the famous "Paulistinha" (CAP series, of the Sao Paulo Aeronautics Company), including the CAP 4A, already a many-faceted plane, of which 777 were built, and its direct successor, "Paulistinha" 56, with 270 units sold to the Ministry of Air.

The consecutive losses intimidated the private firms to the point where, when it was necessary to execute the design for the Aerospace Technology Center, developed on the basis of an order from the Air Ministry, EMBRAER had to be founded, as a state company (Brazilian Aeronautics Company).



The design to be executed was that of a two-engine transport plane with good speed, which could replace the C-45 and C-47 then in service. EMBRAER was founded in 1969, and subsequently opened up its capital to private Brazilian stockholders.

The airplane to be built, the IPD/PAR 6504, was christened "Bandeirante." Its first prototype flew on 19 August 1969, and the second on 29 June 1970. The success of the "Bandeirante" was such that EMBRAER was forced into rapid, consecutive expansions in order to be able to fill all its orders. It even had to subcontract the Aerotec Company to manufacture the plane's wings and tail. To manufacture the steel tubes for the fuselage of another aircraft, the agricultural plane "Ipanema," thereby being left free to devote greater attention to the "Bandeirante," it subcontracted the Neiva Construction Company, in Botacutu (Sao Paulo).

Then EMBRAER, in addition to producing the "Bandeirante," a multi-use plane, quickly started manufacturing various models of aircraft at the same time.

The EMB 110 is the basic model of the "Bandeirante," and its different versions are: the transporting of executives, transport aircraft; with a lengthened fuselage and a greater internal capacity, the EMB 110 P1 and P2 carry freight and passengers respectively; the EMB 110K and EMB 110K-1, with rear doors, are used to launch paratroopers and for heavy cargo. The EMB 110A serves as a research laboratory, and is used to calibrate ground radio and radar equipment. The EMB 110B engages in aerophotogrammetry and remote air reconnaissance services. The EMB 111 carries out ocean patrol missions. The SC 95B is for search and salvage, in the Brazilian Air Force.

The success of EMBRAER was not confined to the "Bandeirante." It immediately went on to produce a version of the MB 326 model of the Italian firm AERMACHI, SPA, which for EMBRAER would be the EMB 326 "Xavante," for training and attack, with equal acceptance; with which the Brazilian Air Force (FAB) engaged in training its young pilots. The FAB's first purchase was 112 "Xavantes." Just like the "Bandeirante," the "Xavante" was sold widely abroad.

EMBRAER, which had already consolidated its position as an exporter, decided to intensify its light aircraft production activities, embarking upon negotiations with the American firm Piper, and receiving the production rights for several light conventional aircraft with one and two engines for carrying executives and sports use. This did not occur by chance; rather, the Brazilian firm had met with good acceptance of its light planes on the domestic market, which in fact has occurred.

For this purpose, EMBRAER contracted native manufacturers, the leading ones including Neiva and Avitec, of Rio de Janeiro, and Engematic, of Sorocaba (Sao Paulo).

The models PA31-350 Chieftain, the Brazilian name of which is "Navajo" the PA34 Seneca; the PA32 "Cherokee Six," which is "Minuano" in Brazil; the PA

28R200 Arrow, "Corsico" in Brazil; and the PA28325 Pathfinder, or "Carioca," were selected.

With widespread acceptance of its products abroad and with a guaranteed domestic market, one supporting the other (the external and internal markets), EMBRAER is irreversible, and does not run the risk of its Brazilian counterparts which, since the turn of the century, had been attempting to establish a solid aeronautical industry in Brazil, and after a short period of time, had to close their doors owing to adverse circumstances. And EMBRAER is growing precisely at a time of crisis in Brazil which is merely a reflection of the crisis being undergone throughout the entire world. EMBRAER has accumulated a large number of other factories for aircraft parts and components, and ranks sixth among the aircraft manufacturers of the Western world.

Moreover, at the end of the 1970's EMBRAER was contracted by Northrop, a North American company, to make parts for the F5E. At the same time, the firm was developing the pressurized two-engine EMB121, "Xingu," 41 units of which it sold to the French Air Force, winning over two well-known international manufacturers in the respective bidding competition. In addition to France, the governments of Brazil and Belgium have purchased aircraft of this type.

The EMB312 (727) "Tucano" was EMBRAER's latest aircraft launched, and the first eight of them were immediately delivered to the Brazilian Air Force. Other sales contracts are being negotiated, or already have been, with other countries.

The "Tucano" is a stunt plane, and of the eight delivered to the FAB six were sent to the Air Force Academy and will reactivate a traditional military aeronautical unit, the "Smoke Squadron," which was deactivated after the withdrawal from service of the American TG. This aircraft can carry up to 1,000 kg of explosive charge at four fixed points under the wings. EMBRAER has already guaranteed the mass production of at least 300 of those planes.

Another example from EMBRAER is the commercial turbojet two-engine plane, EMBRAER 120, the prototype of which made its flight at the end of 1983; it was christened with the name "Brasilia." Even before it had made that first flight, EMBRAER had about 100 orders and purchase options, on both its domestic and foreign market. Already announced for the "Brasilia" is the success of the "Bandeirante," which it will repeat and even exceed. It will carry 30 passengers in a cabin, and will be provided with equipment systems as modern as those of the big commercial jets.

At present, EMBRAER and the Italian firms AERMACHI and AERITALIA are developing the AMX attack jet, the production of which is expected to exceed 500 units. It will be subsonic, but it will be able to exceed the speed of sound in an emergency flight.



A company which produces telecommunications antennas via satellite, radar antennas, automatic radio direction finders, missile wire-guidance systems, and meteorological study rockets and their respective launchers, but which, in turn, also produces: detonators, fuses, towed and self-propelled launchers and complete weapons systems for airplanes and helicopters, as well as fire-bombs, bombs for general use, surface-to-surface missiles and surface-to-air missiles, military rockets and fire control units, has an established destiny: to grow and expand constantly. And that is precisely what is happening to AVIBRAS Aerospace, created in 1961.

AVIBRAS is the pioneer company in the aerospace field in Brazil. Already 22 years old, it has been contributing to aerospace studies, and the development and manufacture of defense, chemical, electronic and communication equipment and systems.

As a private engineering firm with completely native capital and human resources, AVIBRAS has surmounted challenges in the development of products with advanced technology, meeting the specific needs of its clients in Brazil and abroad.

AVIBRAS has three manufacturing centers, located in the municipalities of Sao Jose dos Campos, Jacareí and Lorena, respectively, the total areas of which exceed 500 hectares.

In addition to these three AVIBRAS facilities, it has three subsidiaries for independent activities:

TECTRAN (Sao Jose dos Campos):

Special vehicles for civilian and military use, and transport engineering. It produces, among other things, a transportation facility for all terrain, a special unit with three axles, 6 x 6, for the ASTROS II saturation missile launching and ramp systems.

TELECTRONIC (Cotia):

Specializing in power electronics, control panels, no-brake circuits and trolley buses.

TRANSIP (Sao Jose dos Campos):

Transportation and tourism.

AVIBRAS' main clients consist of its Brazilian domestic market, the Ministry of Army, the Ministry of Air and the Ministry of Communications; and it would suffice to have this latter as a client in order to ensure an outlet for its production, capable of strengthening the firm. AVIBRAS has a sophisticated technology, which it developed itself.

For the Ministry of Communications AVIBRAS developed a family of directable ground antennas for satellite communications, provided with new improvements, such as modular structure which, facilitating the assembly and disassembly, represents a savings of time, personnel and money, in addition to increasing the speed of operation, advantages that are by no means to be downgraded in communications activities.

For the Ministry of Air's Aerospace Technology Center (CTA), AVIBRAS has, based on an order, developed solid drives for space study rockets used in the SONDA I rocket, with a range of 60 km; then it developed the SONDA-II rocket with a load of scientific instruments that it could carry up to 150 km; and SONDA -III, also with instruments, reaching an altitude of 600 km.

AVIBRAS developed the technology for 37 mm, 70 mm and 127 mm surface-to-air military missiles and improved the surface-to-surface ballistic missiles with a range of from 30 to 60 km, adopted by the Brazilian Army.

At present, AVIBRAS' main projects are the ASTROS-II weapons system and the Brazilian antiaircraft defense system, the leading component of which will be the FILA (Fighting Intruders at Low Altitude).

ASTROS means: Artillery Saturation Rocket System, and it was developed by AVIBRAS to provide the user with rapid, accurate, saturation fire with devastating effects, on moving, fixed and scattered targets occupying large areas.

A typical configuration of an ASTROS battery consists of:

A vehicle with a fire control unit;

From four to eight launching vehicles;

Vehicles for reloading the ammunition.

All the vehicles in the system use a basic 10-ton off-road, 6 x 6 traction, platform, manufactured by AVIBRAS' subcontracted firm, TECTRAN. Those vehicles afford great mobility on rough terrain and paved highways, self-defense capacities and great effectiveness on ramps and sections of road with obstacles.

The rockets in the system can cover distances of from 9 to 60 km, and they are:

AVIBRAS SS-30: 127 mm caliber, 30 km maximum range, with a highly explosive head (HE) - 32 rockets per launching vehicle.

AVIBRAS SS-40: 180 mm caliber, 35 km maximum range, with multiple head (MW) - 16 rockets per launching vehicle.

AVIBRAS SS-60: 300 mm caliber, 60 km maximum range, with multiple head (MW) - four rockets per launching vehicle.

The ASTROS system has been available for delivery to clients since the beginning of 1984.

AVIBRAS will also produce the hardware for the new Brazilian antiaircraft defense system.

The Brazilian antiaircraft defense system will include electronic fire stations, surface-to-air missiles and very effective rapid guns. AVIBRAS won over its competitors and, in 1984 and 1985, will deliver the first 12 FILA (Fighting Intruders at Low Altitude). In all, the Brazilian Army will receive 140 FILA. The missile will also be developed by AVIBRAS and will be of the Franco-German "Roland" type, with a range of 5 km; and later, others of the "Sparrow" class, with a range of 20 km, will be delivered.

The FILA will have great mobility, and will be provided with joint miniaturization digital systems. The control of the missiles will be carried out from the fire station. It will have an advanced alert sensor, and will be able to combine its components in various formats. The system will have a tracking laser immune to electronic countermeasures on the detected aircraft, and imperceptible to the enemy equipment picking up radar emissions from the control station. The initial combination of missiles with different ranges, between 5 and 20 km, and also rapid-fire guns (of the Oerlikon type) will allow for the detection of aircraft in consecutive areas of ground.

The Brazilian vipers of the cascavel [rattlesnake], Jararaca [pit viper] and urutu [South American pit viper] species are fast, treacherous, aggressive and deadly. And so are the armed tanks on wheels made by ENGESA (Specialized Engineers, Inc), the largest manufacturer of those vehicles in the Western world. The urutu is a cobra of which more than one species is known, and the jararaca is a fearful reptile. The same thing applies to the gaiolas and the rattlesnakes. ENGESA is still being inspired by venomous Brazilian cobras, giving their names to the armored tanks on wheels.

Another line of products from ENGESA is the multiple-use military trucks (which until recently Brazil had been importing, receiving them from the U.S. based on the terms of the military agreement), as well as farm trucks and tractors.

In addition to the armored tanks on wheels, the Cascavel, the Jararaca for reconnaissance, and the Urutu for troop transport, ENGESA produces other weapons, such as the 90 trigger (EC-90 trigger) and the tower (ET-90) which comprise the fire system of the Cascavel and Urutu in their combat versions. This fire system can be adapted to any combat vehicle of up to 20 tons. ENGESA also produces ammunition and now, with its five industrial plants, it is primarily an authentic weapons industry.

The ammunition that it produces is for the 90 mm guns (HEAT, HESH, HE, SMK and the training type). Thus, ENGESA's clients will not be susceptible to doubts which would otherwise be caused if they had to purchase the basic

product (the vehicle) in Brazil, but its components and ammunition in other countries. This is a great advantage for the purchaser and for ENGESA: being able to offer, in addition to the vehicle, its fire system and its respective ammunition. We should point out here that ENGESA, at the outset in this field, began depending on industry in allied countries, which limited its sales to third countries abroad; and then it sought a solution to this dependence, purchasing the rights to produce the Belgian model, the 90 mm Cockeril.

ENGESA's armored vehicles are all provided with a diesel engine. The initials EE indicate their Brazilian origin: for example, the EE-3 is the Jararaca, the EE-9 is the Cascavel and the EE-11 is the Urutu. The EE-15, EE-25 and EE-50 are multiple-use military trucks. The EE-34 is a jeep for military use.

ENGESA has developed its own technology for the armor plate of its vehicles, and it has patented the "ENGESA bi-metallic" armor plate, with "sandwich" type juxtapositioned plates. The "Boomerang suspension" is another ENGESA invention which it has registered and patented. Endowed with strength and simplicity, the vehicles are of single-block construction; the Jararaca and Cascavel have automatic transmission; the Urutu and Cascavel are provided with rear traction, with a Boomerang suspension system. All of them can be equipped with night vision, laser, and communications and intercommunications systems. The Urutu and Cascavel have three axles (6 x 6) and the Jararaca has two (4 x 4).

The Urutu amphibious troop transport unit has nine versions: the APC, a troop transport vehicle; the AFSV, for combat, provided with 90 guns; the CP, a command post; the CCV, a communications center vehicle; the WE, an office; the ambulance; the cargo vehicle; and the NBC vehicle.

At the beginning of the 1960's, when ENGESA was asked by the Brazilian Army to modify the suspension system in its transportation units for all terrain, it was engaged, in civilian industry, in the adaptation of the total traction in small and medium vehicles. And now it is basically a weapons manufacturer; but among its preferential clients there are construction companies, energy development and lumber companies, and state enterprises, which use the Boomerang system, a gearing system carrying the power to all the wheels, and associated with moving axles; which affords the vehicle easy movement on rough terrain.

The company, which had its offices in the capital, moved them to Sao Jose dos Campos, which had the President Dutra freeway, and it currently has factories in three states and nearly 5,000 employees, with over 300 engineers. In addition, it has seven subcontractors: ENGEX, in Bahia, which produces mechanical elements for the Boomerang suspension and precision metal components, and which installs the 90 mm gun; ENVEMO, which produces light transport units and the EE-34 (a military jeep); FAMABRA (Brazilian Ammunition and Devices, Inc), a producer responsible for assembly of military projectiles and components; ENGETRONICA (ENGESA Electronics), which is a producer of the ENGESA and Phillips of Brazil association, the former with 60 percent of the stock and the latter with 40 percent (the stock control of Phillips of Brazil was purchased by ENGESA in order to produce electronic components for



the Brazilian battle tank "Osorio"); ENGEVIDEO, which produces audiovisual materials, video tapes and various other items for training the company's personnel; ENGEXCO EXPORTADORA, as the group's "trading" entity, responsible for marketing its products. The most recently contracted firm is FNV, the National Car Factory. Its stock control was acquired in order to make it possible to produce the EET1, "Osorio," in its facilities.

ENGESA's EET1 will be the first one of its armored units that will not receive the name of a snake. It will be called "Osorio," in honor of the head of the Brazilian Army Cavalry, Marshal Luis Osorio, Marquis of Herval.

What is most impressive about the EET1-"Osorio", in addition to its 105 mm gun, is the extremely low rear assembly in a vehicle with a very small silhouette (2.34 m). In addition to that, this assembly is highly reinforced. And this meets the needs for protecting the front area, which is affected by 82 percent of the shots during the attack.

The solution to that silhouette problem entails another one, which would be resolved later. This unfavorable result would be the difficulty of settling the driver comfortably in the small remaining space of the enclosure. The solution was to design a "cockpit" similar to the ones on the Formula-1 cars. The operator, just like a Formula-1 racer, will drive the EET1 in a semi-reclining position.

Thus far we have been providing a general history and status of the leading defense companies in Brazil. In the next issue of TecMil, we shall continue with more specifications, projects and types of production.

[Jul 84 pp 33, 34, 36, 38, 41, 42, 44]

[Article by Joao da Cruz Payao: "Brazil and Its Defense Industry (III)"]

[Text] With this second part relating to Brazil's defense industry, we shall consider our extensive article devoted to this leading country in the Latin American defense sector to be completed. The length of this article alone indicates the large number of industries, both small, medium and large, that exist in Brazil.

This defense industry has achieved its independence in the sector with a minimum of technological assistance and a high degree of organization on all levels.

During the mid-1960's, Bernardini, Inc, Industry and Commerce, started manufacturing bodies for trucks of the Ministry of Navy's Naval Riflemen Corps. Up until that time, and since 1912, the company had been gaining experience in the metallurgical sector, making safes for banks, and armed vehicles for carrying securities, and filling other similar orders.



The Ministry of Army, which was also giving it orders, assigned Bernardini to make a study for the purpose of modernizing its M3A1 battle tanks; and, in view of the feasibility of the project, hired the services of the firm. The result was the X1A1, a new version of the M3A1, with a chassis provided with a new design, with an engine (a Brazilian 280 CV Scania diesel), a new starter box, new crawler treads and a more modern tower.

In addition to the X1A1, Bernardini developed an armored bridge launcher (XLP-10) and the rocket launcher, XLF-40.

Already introduced into the defense industry sector, Bernardini has been expanding its facilities, which currently cover an area of 20,000 square meters; with 50 percent of its employees engaged in the production of military vehicles.

Making changes in the X1A1, the company arrived at the X1A2 light battle tank, now in mass production.

It is equipped with a powerful 280 CV, Scania DS 11 Brazilian diesel engine which, on the highways, drives its 19 tons; and in combat, hurls at the enemy the devastating fire of its 90 caliber, 7.62 mm and 12.7 mm guns (ENGESA [Specialized Engineers, Inc]/Electrometal). Its crew consists of three men, and it is utilized to equip the armored infantry brigades. Its ground run range is 600 km, whereas that of the XLP-10 and XLF-40 is 750 km.

All these Bernardini vehicles have a nationalization index of 100 percent.

The success of the M3A1 modernization prompted the Brazilian Army to assign to Bernardini the improvement of the M41 Walker-Bulldogs, driven by gasoline.

The improvement included a change in the entire engine assembly, replacing it with the (400 CV) Saab-Scania DS14 Brazilian diesel, and the replacement of the American 76 mm gun with a 90 mm (ENGESA/Electrometal), in addition to the protection of the crawler treads with "armored skirts."

At present, Bernardini has the industrial capacity for producing up to 10 X1A2 battle tanks per month and, simultaneously, for modernizing up to 20 M41's. And it is negotiating with foreign governments for the marketing of both. Recently, it delivered to the Paraguayan Army a small group of M3A1 light battle tanks which had been modernized, as part of the program for military assistance on the government level. Among the clients for the other items in its industrial production are both Brazilian and foreign government agencies and private firms.

The company is currently preparing new projects, such as the study on adapting the chassis of old M-4 Sherman medium battle tanks as heavy bridge launchers, capable of withstanding armored tanks of up to 30 tons. At the same time, it is working on the construction of the new armored troop transport on treads, and on another for the transporting of heavy mortars.

Nevertheless, Bernardini has not stopped there. The promising news at present is that there is under way, in a test phase, the prototype of its new medium battle tank, the MB-3 "Tamoyo," of 29 tons, which, with the temporary designation of X-30, began to be designed in 1979, to meet the specifications of the Brazilian Army. This project lost its priority status during a certain period of time, but it was resumed starting in 1982.

Manufacture of the M-3 "Tamoyo" will begin on a pre-series basis in July of this year; and, in December, its delivery will start for experimentation by Army units.

Its transmission alone (with torque arms lined with hydrokinetic assemblies) is important. The nationalization index is 95 percent.

The "Tamoyo" is 2.20 meters tall; its highway speed is 70 km/h; and its power-weight ratio in combat is 17.3 CV/ton. Its engine assembly can be changed in just 22 minutes. It will be provided with complete protection and individual night vision systems of the Goggles type (manufactured by D.F. Vasconcelos, Inc), with optical equipment for each of its men. The front armor plate of the tower, of 100 mm, combined with its low silhouette, lends it greater security in combat. As an option, it may come provided with a 90 mm or 105 mm gun.

The Brazilian automotive industry, which dates back to 1955, is about to celebrate its 30th anniversary; and at this stage, and with increasing production indexes, it is equipped to provide other types of automotive vehicles and components of vehicles for military use, military trucks, trailers, jeeps and motorcycles.

Examples of those industries which, engaged in making a traditional line of commercial products, while concurrently developing models of defense items, are Brazilian FIAT, which produces tank trucks; South American Bodies, Ltd, which manufactures armored vehicles, and personnel and securities transport; DEMEC, Mechanical Industry, Ltd, which adapts commercial vehicles and converts them into military vehicles for different purposes (ambulances, jeeps for carrying the 106 mm recoilless gun, and others).

When one observes in Brazil, along its highways or on its city streets, vehicles for carrying securities, it is almost certain that they have been manufactured by DEMEC. They have a Mercedes Benz engine and chassis, bullet-proof tires, glass and armor plate that is bullet resistant up to 9 mm, and an air-conditioned enclosure, with radiator protected by louvers, reinforced bumpers and peepholes for the armed guards.

Recently, FIAT has supplied the Brazilian Army with five tank trucks each with a 7,000 liter capacity. The engine of this vehicle is a six-cylinder FIAT diesel, type 8360, 58.295, from 168 CV to 2,400 rpm. The FIAT chassis measures 14.07 meters long and 2.25 meters wide. It has a metal enclosure for three persons, with fiberglass thermo-acoustical insulation, and its gearbox allows for five starts forward and one backward.

South American Bodies, Ltd, manufactures the transport and personnel armored unit (UBTP) and the shock armored unit (UBC). The former has a 140 CV 6.354 diesel engine, with 4 x 2 traction, bullet-proof tires, and sandwich-type armor plate with separated, spaced metal plates. The enclosure has anti-gas filters and a special electric system with high voltage and low amperage, which prevents the vehicle from being approached. The enclosure, which has air conditioning, has several tempered glass plates that are bullet proof up to 13 mm. The vehicle carries 10 persons, including the driver, and has peepholes for firing from inside. Two doors on each side allow for rapid loading and unloading, and the reinforced bumpers make it possible to eliminate any obstacles that it may encounter in front. The shock armored unit (UBC) is used by the police forces to fight against disorders in the cities.

The body that converts the ENGESA military truck into a mobile command post is manufactured by IDEROL, a well-known Brazilian firm which has been working in this sector for many years. The IDEROL mobile field command post, which is equipment for ENGESA's 2.5 ton trucks is basically a metal box of modular construction, provided with metal supports intended to raise it to the level of the body and bring it down to ground level, and it is also equipped with other accessories that make possible its rapid assembly and disassembly and operation under comfortable conditions in wars of movement.

Gurgel, Inc, Vehicle Industry and Commerce, has lines of vehicles for civilian and military use, including these jeeps which fill a gap in a sector that has by now been surpassed by the large companies. If it retains this line, Gurgel will have an extensive clientele both in Brazil and abroad.

The Gurgel jeeps are the X-12 (for civilian use); the X-12M (for military use); and the X-15. Their bodies are steel lined with fiberglass (plasteel); and both are manufactured to consume gasoline as well as alcohol.

A Brazilian firm less than 10 years old has been successfully manufacturing motorcycles with 100 percent nationalization, using the 1,600 cc VW motor. It is AMAZONAS, Special Motorcycles, Ltd, which currently has two manufacturing centers producing 450 units per month, sent to the Federal Traffic Police and other police units in Brazil, and used for civilian and commercial purposes in other countries (nearly 10 percent of the production). The number of purchasers abroad has increased, with 221 units sold to Peru and 850 to Colombia, for military purposes.

ENGESA's armored units on wheels, the vehicles for carrying securities and the Brazilian Army vehicles have bullet-proof tires made by Novatraccac Rubber Devices, Inc. Novatraccac is also responsible for the manufacture and rerubbing of the crawler treads of the Bernardini battle tanks. Novotraccac is not the only manufacturer of these products, but it is the one that produces the most complete line of these items in Brazil; being the firm that has the most potential for repairing and manufacturing special tires, treads and half treads for armored units, including the M-3A1 Stuart, M-3APC, M4A4 Sherman, M-8 Greyhound, M-41 Walker Bulldog, Ferret Mk-4MG, M-409, M-578, M-4, M-59 and Mowag Puma battle tanks.

Not long ago, the Brazilian military ministries were forced to maintain pioneer manufacturing establishments when private enterprise was not in a position to maintain an ordnance industry to serve a limited market, such as the domestic one.

In 1976, when private enterprise consolidated its position as a producer of defense equipment (including the Valparaiba Explosives Company, Britanite, the Brazilian Shell Company, Taurus, Tupa Chemical, Hydroar, Amedeo Rossi, Inc, Metallurgy and Ammunition, Vigorelli, Electrometal and so many others, with great current success in exporting), and in view of the favorable prospects in this field, the Ministry of Army considered the pioneering phase to have ended.

Then, combining all the existing military industries administered by the Army, there was created the Ordnance Industry of Brazil (IMBEL), a state enterprise, for the purpose of lending them an entrepreneurial quality.

During this new phase, it was found very soon that IMBEL could also participate actively in the exporting market. In October 1982, engineer Jose Luis Witaer Ribeiro (also president of the ENGESA industry), was named president of it, to streamline this sector.



Its new president then attempted to create a trading company for the IMBEL enterprise, thus giving rise to CODECE, associating it with other private exporting firms, such as PAEMBRA and Mayring Veiga; with the result that IMBEL has been exporting at a growing rate.

At present, it is associated with another company that has been traditionally a producer of light weapons and low caliber ammunition, Taurus, which manufactures the 5.56 mm rifle for the Brazilian Army.

IMBEL produces and exports weapons, ammunition, solid impellers, powder, industrial explosives and their pertinent activating devices, military explosives, nitrocellulose, explosive dusts and plastic explosives. The weapons that it manufactures are the 1964 model, 7.62 caliber FAL; the M911 45 pistol; the M973 9 mm pistol; and the 9 mm subrifle. The ammunition is 37, 40, 75, 105 and 155 mm; 57 mm for recoilless gun; 2.36 and 3.5 inch grenades for grenade launching (bazookas); and ammunition for 60.81 and 120 mm mortars; in addition to antipersonnel and antitank hand grenades.

Included among the many manufacturers of powders and explosives are: Tupa Chemical, Britanite, Vale do Paraiba Explosives Company, Chemical Explosives Industries and Explosives, Inc.

This same situation applies to the sectors of electronics, optical and electrical equipment radio, computers and all the related industries which manufacture pieces, parts, components and systems for incorporation in warships, aircraft and vehicles made by the Brazilian defense industry.

Some of the firms engaged in these branches of industry are: D. F. Vasconcelos, which produces optical equipment and precision instruments; ELEBRA (Brazilian Electronics Company), which produces telecommunications apparatus, data transmission systems, process controls and military systems; SITELTRA, Inc (Telecommunications and Traffic Systems).

ELEBRA, Inc (Brazilian Electronics) is one of the Brazilian companies selected by the Ministry of Aeronautics to manufacture on board equipment for the AMX attack jet developed jointly by EMBRAER and the Italian firms AERMACHI and AERITALIA. In the military sector, ELEBRA has been collaborating with the three branches. At present, it is responsible for the manufacture, in the country, of consoles for visualization systems, video extractors and radar processors.

The technology of the consoles is Thomson CSF, with which ELEBRA has developed an extensive program for the purchase of technology for the initial production, with a nationalization index exceeding 75 percent. The company has focused its



attention on the local production of fire homing heads, and automatic pilots for application in missiles; control and monitoring systems for naval application; and the use of fiber optics in military systems.

D. F. Vasconcelos began its activities in April 1951, as a supplier to the Brazilian Army, producing exclusively military instruments, such as telemeters, prismatic binoculars, goniometers, compasses, glasses and other equipment that had been imported up until that time. It was the first Brazilian industry for high precision optical instruments and mechanics.

Today, with its three centers, two of them in the capital, where it has a plant in Vila Guilherme, and its research and development center in Sao Jose dos Campos, Sao Paulo, DFV is still supplying the Brazilian Armed Forces, assigning a sizable portion of its production to the military line, and it is continuing to export DFV fire view-finders manufactured for airplanes and helicopters, ammunition of various types, especially airplane bombs for general use and fire-bombs; as well as missiles for the air-to-surface system, and the SBTA of 37 mm and the 70 mm, with subsonic and supersonic launchers. DFV is also supplying the bomb elevator cars and other equipment of the same type, completely national, resulting from the most advanced technologies.

For the Brazilian Navy, DFV manufactures: telescopic alidades for navigation, prismatic binoculars, glasses and periscopes. For the Brazilian Army, it makes: aiming sights, ground sites, sites for guns, periscopes for battle tanks, theodolites, aiming devices, alidades with plane-tables, complete shops for the maintenance of optical instruments and various types of ammunition.

SISTELTRA, Inc, Telecommunications and Traffic Systems, a branch in Brazil of AEG Telefunken, employs over 800 persons, including 52 engineers and 96 technicians specializing in electronics and mechanics; and occupies 35,000 square meters, with its departments for designs, manufacture and administration.

It started in Brasil during 1969 with the military equipment line, manufacturing, with a license, equipment of American origin to be assigned to the Brazilian Army.

To cite just one example of the improvement in technology and specifications, SISTELTRA carried out the conversion of the old German PRC-77 into the present one, completely with silicon technology, which is compatible with the AN/PRC-77. Although the military equipment now being made is being sent to communications stations for ground use, SISTELTRA has the technology and experience for solving the most varied problems of military communications.

Among the most recent innovations is the RY-20A transceiver with 1,840/920 synthesized channels, with 25 or 50 KHz separation, compatible with the current RY-20; as well as the RFOP24 amplifier, which incorporates the modern technology of wideband RF transistors.

The recent association of Taurus, Inc, with IMBEL to manufacture the 5.56 mm rifle, has been a new, important step for this industry in many respects.

In the first place, it represents good business for Taurus, Inc, with extensive future possibilities, even in the area of exports. Secondly, because it shows the state enterprise's confidence in the potential of Taurus, which can boast of having produced in the field of light weapons whatever has been assigned to it, and which since 1939 has led the manufacture of light weapons in Brazil. Taurus' first product was the 38 caliber revolver, which spread its name on the domestic market. It currently makes revolvers of 40 different types used by civilians, the state police and the military service.

Taurus' weapons for military use are the PT-92 and PT-99 pistols, and the MT-12 subrifle.

Taurus has three industrial centers, the combined areas of which represent 18,909 square meters. They are Taurus Forges, Inc, in Porto Alegre (Rio Grande do Sul), Taurus Hardware, in Sao Leopoldo (Rio Grande do Sul) and Taurus Inc, Military and Civilian Weapons, in Sao Paulo (Sao Paulo). In addition, the group which exports much of its revolver production to the United States has an assembly plant in Miami, U.S.

The Valparaiba Explosives Company, which covers an area of 826,000 square meters in the state of Sao Paulo, produces the following among other equipment:

M3 (defensive-offensive) hand grenades, with M9A1-CEV time charge fuse;

CNM3 tear-gas grenade, for manual throwing or pistol firing;

60 mm mortar grenade (high explosive for smoke and instruction);

Grenade for 4.62 rifle muzzle, antitank and antipersonnel (high explosive and for instruction);

M-7-CEV fire-bomb;

Model 4 (defensive-offensive) hand grenade, with time charge fuse;

Smoke-producing hand grenade, colored (white, red, ochre, yellow, blue and green);

Tear-gas hand grenade, 5-CEV models;

Fuses for guns, mortars and hand grenades;

3.5" grenade for bazooka (high explosive for smoke and instruction);

81 mm mortar grenade (high explosive, for smoke and instruction).

The Valparaiba Explosives Company, with exporting in mind, developed the M1-CEV subrifle, which it has already subjected to testing that proved successful.

Amadeu Rossi, Inc, Metallurgy and Ammunition, a firm almost a century old (it was founded in 1889), began producing shells and fuses in 1925. Later, in 1932, it started producing hunting weapons. At present it is still manufacturing hunting weapons, but carbines and revolvers as well. For the Brazilian Army, to be used for training recruits, it makes a reproduction of the FAL 7.62, which operates with compressed air, cutting the costs and time of training.

Amadeu Rossi, which exports weapons to over 40 countries, also manufactures work machinery and machine tools, 35 ethyl silicate, special alloys and cast steel parts; items which constitute its export line. Its factory facilities occupy 42,000 square meters, on an expanse of 87,623 square meters, in the state of Rio Grande do Sul.

The Britanite Explosives Factory, Inc, is located in Curitiba, in the state of Parana, and produces for both the domestic market and for export the ACT-AB1 antitank and antipersonnel mine, and the respective activator.

The antitank mine is used to immobilize or destroy vehicles on treads or wheels; and, once it has been activated, it may be used against personnel. It is in the shape of a box (240 x 240 x 9 mm). The casing is of polyethylene and inside it holds the explosive charge and the 50 x 50 pentolite booster. The charge is 5.2 kg of TNT. The upper part contains the booster receiver attached to a pressure plate.

The 200 employees of Tupa Chemical, Inc, of Nova Iguacu, Rio de Janeiro, have a great deal of imagination and creativity, and the results of that creativity are the various explosive devices for civilian, police and military use that the company has been producing, with great acceptance on both the domestic market and for export. The increasing volume of its production has forced Tupa Chemical to expand its facilities and become associated with other companies, always forced into this by the requirements of its consumers. In its two manufacturing centers, Tupa Chemical produces explosives for police use and military purposes.

Included among Tupa Chemical's products for police use are tear-gas grenades, with a delay device (3 to 4 seconds), with a plastic or aluminum wrapping, which are non-explosive; and also 25 mm caliber tear-gas shells shot by a pistol. It also produces CN gas capsules and CS gas capsules, as well as long-range projectiles, up to 180 m, with or without a stabilizer; 37 and 38.1 mm caliber projectiles; 12 caliber shells, of GL-101, GL-102, GL-103 and GL-104 models, used against street disturbances, made entirely of plastic, with the respective AM-401 launching tube.

Tupa Chemical produces three types of antipersonnel mines and four types of antitank mines.

Tupa Chemical also produces 480 Gr, offensive-defensive, hand grenades, with 90 Gr of 50/50 pentolite, and a 9 m radius of action; and smoke-producing grenades for battle tanks (smokescreen). It is also developing a defensive

grenade for manual throwing or ejection through an AM 401 grenade launching tube.

The Brazilian Shell Company (CBC) is the largest manufacturer of ammunition for portable weapons in the country. It makes sports weapons and their respective ammunition, special weapons for controlling disturbances, and war ammunition for weapons up to 20 mm and 30 mm calibers, for Gorkon type rapid-fire guns.

It is a regular supplier to the three Brazilian military ministries, and exports products manufactured by it to 33 countries. It has two manufacturing centers, one in Santo Andre and the other in Ribeirao Pires, both municipalities of the state of Sao Paulo.

Between 1964 and 1983, CBC produced nearly 1.1 million weapons; between 1967 and 1979, it exported 250 million shells. Its manufacturing centers occupy 33,700 square meters of area, with construction over an expanse of 2 million square meters.

All of a sudden, there could occur with the construction of warships in Brazil exactly what occurred with its aeronautical industry, and the same thing that happened with the manufacture of armored units on treads and on wheels. The fact is that "necessity is the mother of invention." Brazil has everything to make this happen: It has large shipyards, such as the Ishikawagima, the Verolme and Caneco Combined Industries, Associated Shipyards of Brazil and many others.

In this sector of industry, that of defense, everything in Brazil has started with exports. In the area of ships of a military type, Brazil's exports have already begun. MacLaren sold to the Chilean Navy 10 patrol boats, which it delivered between August 1980 and April 1982. The Rio de Janeiro Navy Arsenal is building a river patrol boat for Paraguay that will be christened "Itaipu."

In the ship construction field, Brazil has both experience and tradition. The Rio de Janeiro Navy Arsenal has been in existence for 220 years, and during all that time it has built all types; but even before its construction in 1783, warships were being built in Brazil with the most advanced techniques and the improvements that the times allowed. The Rio de Janeiro Navy Arsenal has always been updating the technology for warship construction, and has always represented the state's encouragement for ship construction.

The most recent progress of the Rio de Janeiro Navy Arsenal has been concentrated on the construction of missile-launching frigates of the "Niteroi" class, four of which were built in England (where they were purchased), with the presence of naval engineers and technicians from the Ministry of Navy; and two others were built in Brazil, the "Uniao" and the "Independencia." Thanks to the agreement signed with the frigate construction firm, Vosper Thornycroft, the Rio de Janeiro Navy Arsenal purchased the rights for the construction of frigates of the type purchased, making changes in their design based on its requirements. Later on, after the frigates, the Navy Arsenal built the new Brazilian school-ship, "Brasil," which was launched on 23 September 1983.



As part of the same plan, a series of corvettes, submarines and other vessels will be built, based on a program devised by the Ministry of Navy for renovating the Navy.

The most difficult technology is that for the construction of submergible units. With the submarines, the Rio de Janeiro Navy Arsenal will adopt the same procedure, attempting to master the technology for their construction.

After detailed studies, the Ministry of Navy decided on the class 209 (1400) conventional German submarine, manufactured by the Howaldtwerke shipyards in Kiel, in the Federal Republic of Germany, regarded as the "last cry" of its kind.

Just as with the frigates, naval engineers from the Ministry of Navy and other technicians will be present during the construction of the first of these at the Howaldtwerke shipyards; and later they will manufacture the second one in Brazil. A particular circumstance will facilitate the acquisition of the difficult technology for constructing submergible units, to be used in the case of the 209 (1400) that will be built in Brazil. And it is that the Navy Arsenal routinely makes repairs on the submarines in service at particular time intervals, and that maintenance service, owing to its complexity, affords the specialists responsible for it an opportunity for improving themselves. These repairs are done during the routine periods in dry dock, and during the normal repair periods. To give an idea, the submarine "Humaita" (Oberon) was subjected to a normal repair period which lasted nearly 4 years. It was like remaking it again and, of the 7,000 necessary elements, nearly 2,000 had to be manufactured in Brazil, in view of the difficulty in procuring spare parts in England, where the submarines of this class had been purchased.

At present, the Brazilian industry has everything necessary for the construction of warships.

There is no lack of manufacturers for all the necessary components, from those producing special steels or pressure boilers to those making electronic products, optical electronic products and high-precision equipment.

It so happens that there is occurring, if not a revolution, at least some thorough changes in the management of naval operations. While the large ships are not giving way to those of smaller size, the use of the latter is evolving into a more prominent position. The small vessel, of lower cost and with easier operation, armed with missiles of high destructive power and provided with micro-electronic facilities, can be called upon in modern naval warfare to play a role similar to David's against Goliath.

In Brazil, MacLaren, Shipyards and Maritime Services, Inc and ENGEPRON (Naval Projects Management Enterprise) have opted for the construction of medium and small-sized ships.



MacLaren is not so young, because it dates back to 1938. But it was not until later that it started building its first ships, regularly producing 21 types of small and medium vessels, including auxiliary ships, maritime tractors, tugboats, catamarans for passengers and mixed ones for passengers and cargo, river tugboats, shrimp boats, life-saver whaling ships, fire-proof whaling ships, ferryboats, dinghies, river barges and launches for practice.

The vessels for military use are prominent: coastal patrol boats, river patrol boats and river boats for landing. Its production line consists of vessels made of steel, aluminum and fiberglass (GRP).

MacLaren Shipyards and Maritime Services, Inc, is the leading firm in a group comprised of 11 associated companies, the last of which, MacLaren Moorings and Currents, was established at the end of 1983; and there are five other firms associated with it.

ENGEPRON, Naval Projects Management Enterprise, also builds small and medium-sized ships, including a river patrol boat, another for hospital assistance, another for placing buoys and still another for landing.

The defense equipment industry in Brazil is present in all sectors. EMBRAER is without doubt the most important aeronautical industry; the largest, which has developed most and has been developing the technology of its sector. In short, it is an example "of the Brazil that is on the march." But it is not the only one.

HELIBRAS, Helicopters of Brazil, has been manufacturing French helicopters of the Societe Nationale Industrie Aerospatiale, renamed "Esquilo" and "Gaviao" in Brazil, under a license. The first one has already been built in a military version for the Brazilian Navy, and the second is mainly for cargo transport. The number of these units built by HELIBRAS is now approaching 100, and they have gone down in history as Brazilian export products.

M.M. Rotor, Ltd, in Sao Paulo, manufactures autogyros called gyrocopters, an aircraft of incomparable qualities; and it is developing versions provided with fluctuators, replacing the agricultural wheels, equipped with spreaders and defenses; and also a military version for the defense of critical points.

The Aerotec Company is manufacturing two models of ultralight planes with an American license, the acceptance of which has now become feverish.

The history of gliders in Brazil has run parallel from the outset to that of airplane construction. At present, the Parana Structures Industry (IPE) is manufacturing, on an industrial scale, the gliders "Quero-Quero" and "Nhapecan," a one-seater and two-seater, respectively, with 100 percent national manufacture.

The statistics on the Brazilian defense equipment industries are not known. What could be done is to venture a few estimated figures. Nevertheless, what is certain is that there is a large number of industries manufacturing ordnance,

and countless companies of a medium type, and small ones in particular, which are backing up the operation and guaranteeing continuity of the supply of the large companies (such as ENGESA, EMBRAER and AVIBRAS) to their clients all over the world. By way of example, we might mention the fact that Bernardini uses about 30 principal companies for the improvement of the M-41 Walker Bulldog battle tank. If we were to investigate how many small industries are collaborating with each one of them, for example, with D.F. Vasconcelos, which provides the optical sighting system, or SISTELTRA, which is collaborating on the radio system, or Whinner, which provides the antennas, we would find that, behind each one of those pieces of equipment or systems, there is a legion of auxiliary companies, each working at a feverish pace.

Hence, it occurs to us to ask a question: What could be said about the flourishing Brazilian defense industry? And the answer would be to say that everything that has been described herein is still minor in comparison with the reality. The manufacturers of the new weaponry inventions are neither more nor less watchful of the secrets that they have than are other consumer goods industries; but they also keep their secrets very heavily guarded.

In conclusion, it occurs to us to say that this entire flourishing is taking place precisely "during lean times" for Brazil, and that this period of crisis will end some day.

2909

CSO: 3348/585

PARTY LEADERS RESPOND TO PINOCHET INITIATIVE

Santiago EL MERCURIO in Spanish 21 Sep 84 p C-3

[Text] Federico Willoughby, Jose Sanfuentes, Jaime Tormo, Fernando Maturana and Carlos Dupre referred to President Pinochet's invitation to form a front of all the anti-Marxist parties that respect the Constitution and recognize government efforts to achieve democracy.

The appeal that the president of the republic, Gen Augusto Pinochet, made during the salute to the ministers for the "Day of Army Glories" provoked various reactions yesterday.

On that occasion, the chief of state urged formation of a united front of those citizens who respect the Constitution, are defined anti-Marxists and recognize the government for its efforts to achieve democracy.

However, he said that this appeal is not to form an organic movement but to achieve united action.

Some sectors expressed their total agreement with this idea, indicating that there is a group of citizens that is determined to act with the government to achieve democracy.

The great majority of the opposition movement rejected this idea, indicating that the appeal is a strategy so that the forces inclined toward the government continue to support it.

Federico Willoughby

"The political appeal by the president of the republic to form a united front is closely tied to his reference 'to citizen clamor to reestablish order and security and restore normal life in the country at any price,'" indicated the president of MAN [National Action Movement], Federico Willoughby.

He indicated: "I understand by the above that the decision of the institutions in their mission to insure domestic peace is different from the role of the citizens to establish forms of understanding and civic action to spoil the rupturist intentions of communism."

He added: "Interpreting both aspirations, I think that the framework of the 1980 Constitution is the best way to fight violence and chaos with the prompt effectiveness of the political and social entities that the Constitution created for this."

Jose Sanfuentes

The secretary general of the MDP [Popular Democratic Movement], Jose Sanfuentes, revealed that it is an appeal "to the deteriorated and disintegrated forces of support so that they do not escape from government control but continue to support it."

Jaime Tormo

The president of Radical Democracy, Jaime Tormo, stated that the appeal by the chief of state defines ADENA [National Democratic Agreement].

He said: "It is what ADENA has stated from the beginning."

He maintained that it is good that it is not an appeal for an organic movement. It makes it easy for any movement or party that recognizes the Constitution to join in agreement.

Tormo added that ADENA is part of that united front. He said: "We do not want to be alone since I think the UDI [expansion unknown] and the National Party are also in this position. The Liberal Movement would be in a similar situation."

Fernando Maturana

The leader of the National Union, Fernando Maturana, indicated that the political front suggested by President Pinochet "is, rather, a consensus."

He revealed: "It can be seen that it is very easy for the Chilean democrats to comply with the requirements announced by the president. I believe we all agree. However, the aspect that must be analyzed refers to the period of transition. I think it must be gradual as he indicates but with some innovations since there must be progress through revolutionary changes. This means some basic reforms. It means a timetable to achieve democracy."

After commenting that "we met all the requirements," Fernando Maturana said: "We state that full democracy cannot be achieved without gradual progress. Therefore, constitutional reforms are necessary."

Carlos Dupre

The representative of Christian Democracy, Carlos Dupre, stated: "General Pinochet's proposal does not seem explicit. We do not know if his intention is to create an official political front of support for his government or if it is an anti-Marxist front or a political front that seeks solutions to our current crisis through a broad political spectrum."

He stated: "The only viable thing is to discuss the possibility of generating basic structures or elements for a national understanding to achieve rapid transition toward democracy."

He said that this means, first, heeding the call of the bishops, creating a propitious climate for understanding among all the Chileans. "It implies eliminating persecution, violence, deprivation of civil rights and permanent disqualification of opposing opinions."

A second requirement is "to establish a concrete commitment to the country to find formulas to promptly return democracy to Chile." It is also necessary "to agree, with all the civil sectors, on mechanisms, legal initiatives and a political timetable for the return to democracy."

He added that it is also indispensable "to generate suitable conditions for both people and government structures so that, after achieving the first agreements, the previously indicated initiatives can be carried out effectively."

He ended: "If agreement is not achieved among all the civil sectors, there will not be a political solution to the current crisis. It is political irresponsibility to propose bandaid measures or ones that try to gain time. The country is not in the position today to tolerate this without a worsening of the current difficult polarization."

7717

CSO: 3348/7



PARTY LAW BILL STILL UNDER STUDY

Santiago EL MERCURIO in Spanish 21 Sep 84 p C-5

[Text] The government junta decided to change the classification of the political party bill so that it can be restudied by the legislative branch.

The bill that is being transacted had been classified "simple urgency." Now, by agreement of the leaders of the junta, it is classified as "easy dispatch." This implies an additional 15 days for the reporting committee (4th Legislative Committee) and 20 days for the junta report.

Reliable sources explained this yesterday. They commented that, despite these additional periods, it is quite feasible that the text will be finished in October. It is planned for discussion that month. This agrees with the recent statements made by a member of the legislative branch, Adm Jose Toribio Merino, that the bill will be dispatched "in October anyway."

The sources consulted also indicated that Monday, 8 October, the joint committee headed by the 4th Legislative Committee will be formed. It will be responsible for analyzing this bill.

That work group will restudy the constitutional organic law based on what the members of the junta decided at its last regular session.

Analysis

Initially a series of four analysis sessions has been planned but it is possible, according to the sources, that there will be fewer meetings if there are no new elements to incorporate into the study of the bill.

It was commented: "The idea is to work on other options concerning the number of signatures needed to constitute a political party."

The new elements to consider include the proposal to classify the necessary affiliations to form a political group. This arose from an informal meeting between President Pinochet and the members of the government junta. This, however, will only be studied unofficially.

Asked also if a differentiation between member and follower will be discussed, the same sources answered that it is not likely that this suggestion will succeed since "it would imply greater politicization."

They revealed that the meeting between the government junta and President Pinochet will be held in October.

7717

CSO: 3348/7

## PARTIES COMMENT ON ECONOMIC MEASURES

Santiago EL MERCURIO in Spanish 21 Sep 84 p C-5

[Text] Some political groups issued public statements to announce their opinion on the economic measures recently adopted by the government.

The National Party, Radical Democracy and the Radical Party did this yesterday while, according to reports, Christian Democracy will probably do it today.

### National Party

The National Party stated that the announcements made by the minister of finance shape a definition "that, if handled correctly, will mean rapid revitalization of the national economy."

It indicated: "However, it will also mean major increases in the inflation rate with the subsequent drop in the buying power of the wage-earning class. This must be corrected as soon as possible to prevent its continued deterioration beyond the humanly acceptable."

In its communique, the National Party stated that it is obvious that handling an economic policy like the one announced "will be more difficult than the dogmatic ones in recent years. It must be directed carefully to achieve the expected results of creating more job sources, increasing the rates of production--especially of exportable goods--and creating greater monetary liquidity and more resources for the treasury."

It stated: "With careless action, this effort will be lost and only increases in the inflation rates will be achieved. This will seriously hurt our economic development and discredit our drooping market economy system even more."

The statement maintained that the National Party feels that the measures that have been adopted to not use dollars to pay the debts as well as current debt reprogramming are very important. However, it repeated its request that the debtors that do not fall under that reprogramming be analyzed individually.

### Radical Democracy

Radical Democracy announced that it will ask the minister of interior to grant a compensatory bonus for the remaining months in the current year for the

sectors whose real income cannot continue dropping (wage earners, PEM [expansion unknown], POJH [expansion unknown] and those on retirement or widows and orphans pensions). "They will not be able to tolerate these increases."

That group expressed its agreement with the measures adopted but stated that another study of the tariff policy is necessary, essentially concerning capital assets, raw materials and intermediate goods used in the productive sector.

It stated that the measures adopted are a "pragmatic and realistic" response to the crisis caused by external situations such as the low price of copper.

Finally, it made a call to the consumer sector to firmly oppose any excessive increase and denounce those who exploit these changes without any social conscience.

#### Radical Party

The Radical Party, meanwhile, stated in a communique: "We reaffirm that the critical situation of the Chilean economy and, in general, the countries of the Southern Cone of Latin America is the result of the formidable failure of the economic leadership of the military governments in the area."

Other reasons they saw for the current economic situation included the debt of private groups and the "zero investment in capital assets in the last 10 years."

Therefore, the Radical Party indicated that it rejects "the attempt by the military government for the weight of this recessive readjustment to again fall on the people. As a result of the inevitable price increases that the announced economic measures will produce, they would suffer a 30 to 40-percent reduction in their real wages unless the workers obtained some compensation in the months of October, November and December of this year."

It also made an appeal "to the people to demand an immediate wage adjustment that would compensate the wage-earning masses for the loss in buying power that they will suffer."

7717

CSO: 3348/7

## TRADE WITH USSR UP 38 PERCENT SINCE 1960

Havana BOHEMIA in Spanish No 34, 24 Aug 84 p 34

[Article by Serafin Marrero]

[Text] Trade between the USSR and Cuba has risen ceaselessly, as befits two brother socialist states whose economies complement each other. We talked about this subject with Boris A. Yakimov, trade representative of the USSR in our country. He recalls that the first trade and payment agreement was signed in Havana on 13 February 1960, making possible the exchange of merchandise for the year 1960. It also established the volume of sugar Cuba would export to the USSR during the 1960-65 period. In June of that year an additional agreement was signed for the supply of petroleum and its byproducts, in view of the economic and commercial aggression that the Yankees were beginning to impose on our country.

Yakimov invoked the words of the first secretary of the Central Committee of the Communist Party of Cuba and president of the Councils of State and Ministers, Commander-in-Chief Fidel Castro Ruz:

"Without the USSR, the American imperialists would have their hands free to carry out the bestial police role they had assumed. Cuba was able to resist the pressure exerted by the strongest imperialist power in history not only thanks to the firmness, selflessness and resolve of its people, but also as a result of the unprecedented solidarity shown by the Soviet Union."

Regarding the unstinting solidarity of the Soviet people with the heroic people of Cuba in view of the Yankee escalation in the Caribbean, he recalls the words of the secretary general of the Central Committee of the Communist Party of the Soviet Union and president of the Presidium of the Supreme Soviet of the USSR, Comrade Konstantin Chernenko: "As for the Soviet Union, it has always been and always will be with Cuba, in times of calm as well as times of storm."

The USSR trade representative notes that while in 1960 trade amounted to only 160 million rubles, in 1963 it climbed to 6.1 billion rubles, a 38-fold increase, with an average annual growth rate of nearly 18 percent. He points out that the material basis for such a rapid rise in trade between the USSR and Cuba is and continues to be the successful economic development of both countries.



# ADVERTISING DEFENDED FOR SALE OF UNUSED GOODS

Havana BOHEMIA in Spanish No 32, 10 Aug 84 p 34

[Article by Alberto Pozo]

[Text] "After we began to announce our unused products, sales rose by hundreds of thousands of pesos," stated Luis Acosta Ramirez to RECURSOS Magazine. Acosta Ramirez is chief of the Unused Products Department of the Central Chemical Enterprise, under the State Committee for Technical and Material Supply.

He backed up his statement by showing a photograph of himself smiling euphorically, and concluded by saying: "To tell the truth, we were a little skeptical about advertising unused products. But afterwards we saw the results and we were truly convinced of the effectiveness of the advertising."

The advertisements were placed in the magazine OPINA, but it is not the only publication that is taking advantage of the technique of publicity. There was a time when that was almost a bad word. This technique was confused with capitalism; certainly the regime had developed it and used it to serve its twisted ends.

In our case and that of other comrades, we have tried to eliminate such confusion with a simile: The weapons that were used in the Sierra Maestra and that gave us our freedom were manufactured by capitalists. The same thing happened in Nicaragua and is happening in El Salvador. So the main thing is not where the rifle came from, but the ideas behind it.

Of course, this technique is used by the capitalists to distort the truth and manipulate the people. But socialism can use it to defend the truth and teach men the truth. That is why today it is being used increasingly in all socialist countries. We already have texts on advertising from the Soviet Union, Czechoslovakia, Hungary, Poland, the German Democratic Republic, and others. Things have evened out in the end.

In Cuba we have regained this technique, although for 25 years we neglected to create the scientific-technical cadres capable of managing it efficiently. Nonetheless, there are a few redoubts with experienced personnel that can serve as a point of departure: the enterprise Publicitur, of the National Institute

of Tourism, the Institute of Domestic Demand, the Chamber of Commerce, . . . and others.

Publications such as the magazine BOHEMIA, TRIBUNA DE LA HABANA and the Cuban Institute of Radio and Television (ICRT) (with its television and radio spots) are using advertising to support campaigns that are of great importance to the country, such as saving energy, health, recreation, sports, and culture.

This step is undoubtedly an advance in communications. The technique of advertising has its own resources. It is axiomatic that the systematic reiteration of an idea, when directed correctly, contributes to its diffusion and above all makes it a conscious element. Mind you, we are not talking about an endless repetition that becomes tiresome. It is a matter of repeating the same idea creatively and pleasantly, so that it will reach the receiver, make him react and make a decision. Good advertising seeks to spark attention, interest, desire and action, a formula that can be summed up with the letters AIDA.

The pedagogical principle that the reiteration of concepts being studied leads to learning cannot be denied, and indeed is widely accepted. This rule, reiteration, is the first step toward understanding a situation.

Let us cite an example. We said one time in the press that exercise is one of the pillars of health, and we supported that assertion with scientifically proven arguments. Or we stated that whole-grain rice is better than hulled rice in terms of its nutritional elements. What can happen? Suppose we didn't read the paper that day. It was stated a second time, but we were preoccupied with the illness of a child; the message went unheeded. It was repeated a third time, but we were anxious to finish a task and our minds were occupied with completing it . . . And so on. We easily come to the conclusion that a given announcement must be repeated a set number of times (a figure which is determined by research) so that each reader will receive the message.

The repetition of advertisements is a convention in the world we live in, so we accept it as something natural. Repeating a news item in a newspaper, however, also by established custom, is not acceptable; it is stale news, old hat, already known, and that is detrimental to the quality of the mass medium.

This basic comparison between advertising styles and journalism clearly illustrates how we expect different behaviors by the two media when it comes to propagating ideas. Of course, in journalism more information is provided, and it is more suitable for analysis. This does not mean, however, that the contradictions between the two are profound; on the contrary, they are subtle. It is a question of different treatment, more effective in one or the other medium depending on the objectives we have in mind. But these two approaches are perfectly reconcilable in the field of the communication of ideas.

The purpose of this digression was to emphasize the importance of taking advantage of the strengths of advertising, of which we have mentioned only one: reiteration in the form of ads.

Another goal, from our point of view, is to help the public understand and evaluate the importance of a new magazine that has come out: RECURSOS.

It is designed to advertise unused goods which are lying idle in some business but may be needed in another business. It also serves to announce certain services provided by businesses to other businesses. Or, on the contrary, these resources and services can be requested in ads. Certain means of production can even be rented out if they are sitting idle at some firm for part of the year.

In sum, RECURSOS can link producers, distributors and consumers or users, with the advantage of making them more efficient in their management and thus contributing to their profitability.

RECURSOS will not stop at that; it will contribute to familiarity with innovations, rationalization procedures and experiences that lead to better planning and utilization of machinery, equipment, raw materials, materials and services. It is an element of communication that can enhance our economic efficiency.

RECURSOS has come out in response to Directive 29 of the Program of Measures for 1984, pursuant to the guidelines set forth at the 8th Plenum of our Party's Central Committee. It will operate under the aegis of the Institute of Domestic Demand.

It is a quarterly magazine, and its first issue, aimed at state enterprises and agricultural production cooperatives, presents a long list of available products.

Given the previous experience of its predecessor, a bulletin put out by the State Committee for Technical and Material Supply, and the simplification it will make possible in searching for resources, this magazine promises to be an ever-growing success.

In any case, the question is obvious: Will it yield sales, and thus solve the problems that justify its existence? We will follow up on this new publication and report on the results.

Let us begin reiterating. The following aspects can be publicized:

- Products declared unused
- Surplus products
- Marginal products
- Basic supplies in disuse (sales or rentals)
- Technical-productive services
- Professional services
- Transportation services
- Agriculture and livestock services
- Other marketable resources not covered by a plan

The first issue has already been sent out to every enterprise and cooperative. If you see anything advertised that you can use, write to the following

address: Calle M between 17 and 19, Vedado, Ciudad de La Habana. Or call: 32-4249, 32-3584, or 32-3585. And if you want to place an ad, follow the same procedure.

We have provided a very detailed explanation because we are convinced that this is an efficient means of communication that will contribute to the national economy.

8926

CSO: 3248/1

## PROBLEMS IN DOMESTIC ENERGY SECTOR DISCUSSED

Guatemala City EL GRAFICO in Spanish 15 Aug 84 p 35

[Text] The continued uncertainty about the actual duration and real cost of the repairs on the Chixoy hydroelectric plant, the weak nature of the thermoelectric system in the country and the sudden withdrawal of the French ELF [Gasoline and Lubricants Company of France]-Aquitaine as the operator of the oil extraction project, effective this coming September, are all circumstances which darken the energy prospects of Guatemala still further as the second half of 1984 elapses, to the point that some sectors of opinion are talking of a possible "unprecedented energy crisis" in the short run.

From an analysis and combination of the circumstances mentioned above, it can be concluded that the energy picture for the country is in fact most discouraging. This is because if there is no clear knowledge of how long it will take to achieve full operation for the hydroelectric project in which so much hope has been placed for achieving self-sufficiency for the country in generating electricity; if the imminent crisis for the thermoelectric station in Escuintla is not dealt with decisively; and if there is no proper oil legislation to be found either for the foreign investors in this sector (the reason given for the withdrawal of ELF-Aquitaine from Sector I, the location of the Rubelsanto and Chinaja oilfields (the only ones declared commercially exploitable to date in the short oil history of the country), the fragile structure of Guatemalan energy development may collapse overnight.

## Imponderables Regarding Chixoy Repairs

The Pueblo Viejo-Quixal hydroelectric project (better known as Chixoy), which was put into experimental operation in July of 1983 after 7 years of construction, could not be officially commissioned in February of this year, since beginning at the end of 1983, faults and leaks in the intake tunnel walls were found, and they in turn caused cavities to develop, because of the geological characteristics of the terrain, leaving a section of the cement structure unsupported. This unforeseen situation led to a partial shutdown of the project while the tunnel was emptied and the real dimensions of the damage were established.

After a long period of time, the Office of the Chief of State announced on 9 May that the tunnel repairs, involving the lining of a total of 1,375 meters and the filling of the cavities formed within the mountain, would cost some 15 million quetzales, and would take about 8 months to complete.



However, 3 months after that announcement, some independent estimates indicated that approximately 40 percent of the total tunnel length (26 kilometers) lay in karstic terrain with a high propensity for the formation of cavities, such that it was still not possible to establish what length thereof should in fact be lined, a conclusion which would undoubtedly increase the cost and time required for repair.

According to reports from technicians in the sector, the cost of said repairs could come to 4 times the original estimate announced, and the time required could not be less than 24 months.

#### Fragility of the Escuintla Thermal Power Station

In view of the evident delay in the full commissioning of Chixoy, the shortcomings in the Aguacapa Hydroelectric Project (where the power house has already been flooded twice, in 1979 and 1982, with a great likelihood that this will recur this year or next), and the still-distant electrical interlinking with El Salvador, a large part of the electrical generation capacity of the country depends on the functioning of the Escuintla Thermal Power Station.

According to a document published by the National Economic Research Center (CIEN), the Escuintla plant is the main component in the country's thermal power system, accounting for 60 percent of the generating capacity at present. However, despite the fact that this plant is made up of obsolete and exhausted units, such that the maximal generation does not even total half of the installed capacity, it is not possible to interrupt its operation to do maintenance work while Chixoy is shut down. The Escuintla Thermal Power Station is on the verge of total collapse, the CIEN says, because to the above considerations must be added that there are no tax funds or budget allocations available for the purchase of component replacements.

However, it was learned some months ago that an Italian bank was offering financing of \$18 million under very favorable conditions so that the repair of these thermal units could be undertaken, but it is not known if the official negotiations to obtain this credit in fact have been initiated.

#### Ambiguities in Domestic Oil Policy

While on the one hand, it was officially announced at the beginning of last week that the three oil companies involved in the contract for the prospecting and exploitation of hydrocarbons in Section L, to the northwest of Peten, were adhering to the new hydrocarbons law, rumors were intensifying on the other hand to the effect that the French company mentioned above, the operator in the Rubelsanto and Chinaja fields, will abandon these activities beginning next month. This situation makes obvious the ambiguity in the new legislation promulgated last year, and the ever increasing remoteness of accelerated oil prospecting, exploitation and production in the country, which will inevitably lead to negative consequences for it.

PROPOSED BUDGET TO PROMOTE INVESTMENT, MONETARY STABILITY

Port-au-Prince LE NOUVEAU MONDE in French 23 Aug 84 pp 1,33

[Address by Secretary of State Frantz Merceron to the legislature on the proposed budget for 1984-1985, in Port-au-Prince; date not given]

[Text] Mr President of the legislature, distinguished Members of the Bureau, honorable Deputies,

In the name of the Executive Branch and according to the wish of the Constitution, I have the honor to present the proposed budget for the coming fiscal year 1984-1985 to your eminent assembly.

The first concern underlying this budget proposal, the first which through my agency the government is submitting to the 43d Legislature, is to assure you that the effort to revive the economy will be pursued without detriment to monetary stability, the gauge of the success of our entire financial policy. In other words, this budget will mean a return to a well-balanced budget with the elimination of that portion of the deficit generally financed by the Central Bank. Thus we renew our effort with a tradition, the loss of which has for 6 years been at the bottom of serious disturbances that have aggravated the recession without, nonetheless, favoring the process of development. Reduced from 150 to 60 million gourdes during the past 2 years, this item disappears from the 1984-1985 proposed budget, of which Ways and Means retains these components: customs revenue amounting to 300 million gourdes and internal revenue amounting to 780 million gourdes, or a total of 1.08 billion gourdes in stockholders' equity for the Haitian Treasury.

Of course, the overall budget, expanded for development, will on the whole continue to be integrated to compensate for the low volume of government savings, an important component of foreign financing to be supplied by our international aid partners and calculated at over 823 million gourdes.

A brief look at the distribution of two big items: operations and development, of the budget submitted to your eminent assembly is enough to uncover another concern of this proposal. With 130 million gourdes in Treasury counterpart funds, development will benefit from an increase of 35 percent in comparison with the 96 million gourdes allocated in 1983-1984 as against only 3.9 percent granted for operations, which goes from 914 to 950 million.

This determination to grant priority to development thus constitutes the second original feature of this budget. It bears witness to the government's firm resolve to support the movement for economic recovery through savings devoted to investment as well as through the considerably increased contribution by foreign aid. The restoration of our traditional moneylenders' confidence in us is the direct consequence of the patient and gradual recovery that has indisputably marked our financial system. It is no exaggeration to say that a really new climate favorable to both public and private investments, which are generators of growth, has already been established. Bearing eloquent testimony to the support expressed by all of the participants in the Sixth Caribbean Group Conference and the obvious interest of French and American industrialists during the recent Haiti Day held by the National Council of French Employers and the CBI demonstrations organized this year in connection with the American initiative for the Caribbean Basin. Supporting and encouraging this climate continues to be a constant concern of the government. These past 2 years have seen the actions taken to make national savings available and stimulate foreign investments multiply. In connection with this let us cite the recent enactment of an outline law organizing the savings and loan associations, the reorganization of the IDAI [expansion unknown] into an agricultural and industrial development bank (BNDAI), the drafting of a new industrial investment code, the reform of the National Credit Bank (ENC) and the good results that has produced, the joint ownership law, the law simplifying the procedure for the constitution of limited liability companies and the completion of the work of the investigating committee responsible for simplifying customs procedures.

Government efforts to maintain this climate of confidence cannot be dissociated from respect for our commitments to our partners. For the servicing of the national debt, the proposed 1984-1985 budget will continue to allocate a sum proportionally adapted to the growth of our indebtedness. In connection with this let us bear in mind that the bulk of this debt consists of loans granted at very favorable terms: long amortization terms and low interest rates. Paying off these obligations within the terms that have been set is all the more imperative.

It is this same concern for rigorous management that has inspired the third original feature in the presentation of the general budget this year. For the first time, in fact, the budget proposals for our chief public enterprises will be presented in the form of appended tables for your examination. These enterprises are the subject of the chief executive's particular attention and the many measures adopted to improve management are behind the acceptable operating results produced by TELECO [expansion unknown], Haiti Cement Works or the Flour Milling Enterprise. Let us underline the fact that, because of their ability to finance themselves, the public enterprises represent a large portion of the government's investment effort and make available a significant volume of foreign development resources. However, to safeguard their investment programs against any contingency, a maneuvering reserve fund of 40 million, our only call for domestic financing, has been considered.

Mr President of the Legislature, honorable Deputies,

The obvious concern for promoting development that is noticeable in so many steps taken by the chief executive, particularly in the encouragement he extends to both domestic and foreign investment, would in the end be sterile if the plan for a democratic society the leader of our nation dreams of were not resolutely expressed in terms of concrete actions. Called upon to see to it that our laws, the guarantee of a climate of social peace indispensable to the improvement of our people's standard of living, are respected, at the express request of the chief of state the Ministry of Justice has benefited from a substantial increase of 52 percent in its allocations for reform of the legal system.

Likewise, spokesmen for the grass roots of the country, but at the same time called on to pass on to it the democratic message of the chief executive, the honorable members of your great body unquestionably play the role of privileged agents of progress. For this reason the 1984-1985 budget had to confer on them [you] special attention. A provision representing 12 percent of the appropriation for the legislature has therefore been made, allowing for the doubling of their salaries.

The entire operations budget nevertheless remains subject to the constraints of the economic situation which, as we have said, forces us to make the only choice compatible with the economic recovery policy: to assign a relatively higher priority to development in the general budget. Increased by an average rate of 3.9 percent, with its appropriation of 950 million gourdes the operations budget is distributed as follows (in millions):

01. Office of the President	16.694
02. Legislature	5.656
03. Economy, Finances and Industry	83.201
04. Agriculture, Natural Resources and Rural Development	32.475
05. Public Works, Transportation and Communications	70.078
06. Foreign Affairs	38.478
07. National Education	96.3
08. Social Affairs	16.852
09. Commerce	13.903
10. Worship	3.954
11. Justice	18.549
12. Information and Public Relations	32.777
13. Interior and National Defense	40.666
14. Public Health and Population	89.5
15. Haitian Armed Forces	96.182
16. Mines and Energy Resources	6.913
17. Planning	22.744
18. Youth and Sports	6.177
Total for ministerial departments	691.099
Central Amortization Fund	258.901
Total for operations budget	950



Therefore, when we add the 130 million for development, the 1984-1985 general budget comes to a total of 1.08 billion gourdes, that is, an increase of 70 million or 6.93 percent in comparison with the 1983-1984 budget. I remind you that this effort will be made without resorting to Central Bank financing to avoid any inflationary pressure on our gourde and to maintain the confidence in it we have striven so hard to safeguard for 3 years now. This will give you an idea of how important the need for an ever more sustained national effort is in our eyes. Restoring our finances to a sound basis continues to be a priority and the tax system must provide a daily improved performance level.

Now is the time to underline the fact that the fiscal pressure imposed by the national effort nevertheless goes hand in hand with the policy of encouraging investment which the government has always practiced. Calculating these advantages is not the way we usually talk about the budget. They are, however, considerable, running from the customs duty exemptions to the tax exemptions we have granted for several years now. A generator of jobs par excellence, the industrial sector has quite naturally been among the top beneficiaries of these measures, but the farm sector continues to be the long-term priority in the reorganization of our economy. Responsible for the survival of 80 percent of the population, it by far represents the biggest portion of the government's investment budget, 18 percent of it, allocated for the modernization of this sector through the construction of infrastructure, irrigation and drainage systems, roads, erosion control and the establishment of commercial networks and the granting of credit. The short-term motivation afforded the export industry is, of course, one of the indispensable conditions for the revival of farm production because of the industrial sector's capacity to absorb part of the underemployed farm worker surplus and, in so doing, to even create the solvent domestic demand necessary to the disposal of the farm production destined for the local market.

Mr President of the Legislature and honorable Deputies,

Despite the caution that prevailed in drafting it, the proposed 1984-1985 budget has not failed in its function of being a privileged instrument for economic action. While operations have to some extent been stagnating, given the low rate of increase granted that sector, development has, on the other hand, benefited largely from the supplementary withholding tax a balanced budget requires. Increased by 35 percent from one fiscal year to the next, it will make available over a fourth of the additional revenue to, along with the stockholders' equity of the public enterprises, constitute a national investment potential of over 300 million gourdes. Thus, despite a still wavering international economic situation, government policy has not deviated from its objective: "To promote economic recovery through the expedient of an adequate fiscal policy organized for the purposes of development."

Mr President of the Legislature,  
Distinguished Members of the Bureau,  
Honorable Deputies,



In the spirit of the frank and loyal collaboration that has marked the chief executive's relations with your eminent assembly for 5 months now, I have the honor to submit to you the proposed budget for fiscal year 1984-1985.

11,466

CSO: 3219/33

## PRI STATE OF MEXICO CANDIDATE SELECTION MARRED BY VIOLENCE

### Conflict Over Naucalpan Precandidate

Mexico City EXCELSIOR in Spanish 21 Sep 84 pp 4-A, 24-A, 32-A

[From "Political Fronts" column, by Guillermo C. Zetina]

[Text] An example of the strange motivations that influence interest in the country's political issues is undoubtedly the unsuccessful "nomination" of Manuel Diaz Infante as mayor of Naucalpan.

Diaz Infante reported that last Friday he found out through the newspapers that a group of Institutional Revolutionary Party (PRI) members had come out in favor of him as a candidate for municipal president: "I did not seek that nomination, but I was pleasantly surprised." Many people, the majority, felt that he did not have enough ties to the municipality or active participation in the party. Diaz said, however, that he meets the constitutional requirements because he has resided in Naucalpan for years; he was married there, has lived among the community, and his three children go to Naucalpan schools.

He explained that for 12 years he has participated in PRI affairs.

This would not be a very important case if we were not dealing with the adjunct auxiliary secretary to President Miguel de la Madrid. It is assumed, or at least it has occurred to some, that his nomination was a clear-cut case of undemocratic political patronage. In this regard, Diaz Infante asserted that "those who are privileged to serve the country in a job close to the president of the republic have witnessed the chief of state's undeniable party attitude, and his firm respect for the commitments he has made and the decisions the party has made."

Diaz Infante explained: "If I had been nominated, it would not have been for reasons of political patronage, because in PRI the party activists freely choose their candidates. I think that in this case, when those party members decided to support Rene Martinez Souberville, they chose a longstanding party member who will surely win the popular vote and do an outstanding job at the head of this major municipality."

Diaz Infante thus silenced a controversy and proved that party loyalty comes before personal ambitions and rumors. At any rate, without becoming mayor, Diaz Infante has scored brownie points for his political record in a vital area: the moral one.

#### Now There Are Official Candidates

In Toluca, Mexico, the general delegate and the PRI state leader, Angel Cesar Guerrero Mier and Mario Ruiz de Chavez, released the decisions of the Convention Coordinating Committee, which authorizes the registration of the mayoral precandidates.

Now the following precandidates for PRI are indeed official: Naucalpan, Luis Rene Martinez Souberville; Toluca, Agustin Gasca Pliego; Nezahualcocoytl, Jose Lucio Ramirez Ornelas; Tlalnepantla, Cuauhtemoc Sanchez Barrales; Ecatepec, Raul Velez Garcia; Atizapan, Macario Yanez Valdovinos; and Texcoco, Rafael Garay Cornejo.

Almoloya de Juarez, Alfonso Estrada Garcia; Atlacomulco, Salvador Escamilla; Coacalco, Jose Maria Perez Balbuena; Cuautitlan de Romero Rubio, Gilberto Casillas; Cuautitlan Izcalli, Lorenzo Vena Osorno; Chalco, Jose Gerardo de la Riva Pinal; El Oro, Jaime Reyes Romero; Huixquilucan, Antonio Huitron Vera; Ixtapan de la Sal, Francisco Hernandez Ayala; Ixtapan del Oro, Yolanda Vivencio Trujillo; Amatepec, Maria del Carmen Bastida Samano.

Donato Guerra, Maria Elena Mendieta Gomez; Ixtlahuaca, Elda Gomez Lugo; Ixtapaluca, Carlos Perez Arizmendi; Jilotepec, Javier Barrios Gonzalez; Sultepec, Jose Mejia Penalosa.

Teomaya, Gonzalo Calderon Garcia; Tejupilco, Juan Manuel Salgado; Tecamac, Nazario Cruz Vargas; Teoloyucan, Fortino Vargas; Villa del Carbon, Ariel Aguirre Gomez; Villa Nicolas Romero, Jose Luis Rosas; and Zumpango, Cecilio Barrera Reyes.

#### Atlacomulco Upset

The peasants of Atlacomulco, in the state of Mexico, warned that PRI "should cease its arbitrary nomination for mayor of people who have been repudiated by the citizens, or else it will be solely to blame for any violence that may arise."

Led by the representatives of 35 communities of Atlacomulco, with 60,000 peasants, Professor Delia Rodriguez Gonzalez, Miguel Ruiz Gonzalez, Jose Sanchez Alcantara, Emilio Gonzalez Hernandez and Emma Miranda asserted that "we will not allow PRI to impose Salvador Escamilla Velasco on us as municipal president."

The peasant representatives, after stressing their loyalty to PRI, indicated that Escamilla Velasco was registered as the only candidate for mayor of Atlacomulco, "but he is currently serving as president of the local Chamber of Commerce, and he has tried every means possible to bloody the people with

constant increases in food prices. That is why we do not want him," reports Hector Adorno.

"The aggression to which PRI and Secretary of the Interior Leopoldo Velasco have subjected us in Atlacomulco by forcing the latter's nephew on us as a candidate for the municipal presidency may make us switch parties, as happened in Acapulco," they indicated.

"PRI Should Stop and Think"

They stated that "we hastened to inform PRI delegate Isidro Rangel that we were supporting Marisol Arias Flores, current president of the National Women's Revolutionary Group (ANFER), who is well known by all peasants for her work. Nonetheless, these people are never taken into account in the party's decision-making."

They asserted that committees of more than 300 peasants traveled to this city and to Toluca "so that the authorities would realize that we peasants continue to be dictated to by minor party functionaries."

Delia Rodriguez Gonzalez said: "We want our party and its officials to stop and think. What good will it do for the party's candidate to be elected mayor if we peasants repudiate him?"

The peasant committee claimed that in the PRI offices in Toluca "they informed us that the convention in Atlacomulco will be private, which is a cruel joke as far as we are concerned; that just heightens our disgust and our dissent."

Finally, the peasants of Atlacomulco stated that if PRI does not change its attitude and withdraw the nomination of Salvador Escamilla Velasco as mayoral candidate in that municipality, "we will defend our decision to the death, and we and our 60,000 fellow peasants will switch parties."

Candidate Imposed in San Mateo Atenco

Acting contrary to the guidelines set forth at the meeting for that purpose, the PRI district delegate in San Mateo Atenco, Mexico, Antonio Velez Torres, is trying to manipulate the plebiscite to be held this weekend by favoring the precandidacy of Leon Valverde, who is identified with the old party ways, or barring that, by promoting his friend and "compadre" Alfredo Lamas in the supposedly secret vote that PRI members will participate in. All this has aroused the opposition of the public, which supports other precandidates, such as Rafael Escutia and Jesus Bobadilla Alvarez. The latter is president of the soccer club.

In addition, the president of the municipal PRI chapter, Octavio Gonzalez, clearly intends to promote his brother Eugenio Carlos.

More Candidates' Names

Other precandidates registered by PRI yesterday are:

Acambay, Otilio Plata Garcia; Aculco, Napoleon Lara Mondragon; Almoloya de Alquicieras, Leopoldo Millan; Amanalco de Becerra, Rutilio Colin; Apaxco, Ezequiel Hernandez; Atlautla, Jose Villanueva; Axapusco, Rene Morales; Calimaya, Enrique Condes; Calpuluac, Gilberto Morales; Coatepec Harinas, Roberto Rubi; Coyotepec, Efren Pineda; Chapa de Mota, Justo Martinez; Chapultepec, Jesus Cortes; Chiatla, Fernando Buendia; Hueyboxtla, Sergio Hernandez; Huehuetoca, Felipe Alonso Martinez; Xaltenco, Pascual Moreno; Jiquipilco, Antonio Chavez; Xocotitlan, Jose Sanchez; Malinalco, Guadalupe Andrade; Melchor Ocampo, Fidel A. Quique; Nextlalpan, Gerardo Gomez; Nopalpepec, Laureano Elizalde; Oztoloapan, Saul Samano; Oztolotepec, Noe Arriaga; San Antonio la Isla, Matias Gonzalez.

San Simon de Guerrero, Heriberto Morales; Santo Tomas de los Platanos, Elias Benitez; Soyaniquilpan, Roberto Lopez; San Bartolo Morelos, Alvaro Arriaga; Santa Cruz Atizapan, Florentino Ruiz; Temacalapa, Jose Garcia; Temascalcingo, Carlos Chavez; Temascaltepec, Rodolfo Macedo; Tenancingo, Hector Gordillo; Tenango del Valle, Wilfrido Lara; Tejupilco, Manuel Salgado; Tequisquiac, Elias Perez; Texcaltitlan, Rodolfo Chiquillo; Timilpan, Alberto Pichardo; Tultepec, Fausto Urban; Villa de Allende, Jose Castillo; Villa Guerrero, Jose Villegas; Villa Victoria, Raul Lara; Xocanatlan, David Gonzalez; Zacasonapan, Leonel Villafana; Zacualpan, Humberto Gama; Zinacantepec, Victor Vilchis; Valle de Bravo, Francisco Nunez.

#### Molotov Cocktails Thrown

Mexico City EXCELSIOR in Spanish 22 Sep 84 pp 5-A, 33-A

[Article by Manuel Lino Ramos]

[Text] Toluca, Mexico, 21 September--A wave of discontent reflected in an attack on PRI offices, protest rallies and threats to interfere with party conventions this weekend, has been unleashed in several municipalities of this state since the names of PRI candidates for the 121 municipal presidencies of the state of Mexico were released.

In Coacalco, Molotov cocktails were thrown at municipal PRI headquarters early this morning, burning part of the building facade, to protest the nomination of Juan Manuel Perez Balbuena as that party's candidate for mayor.

Also this morning, a large number of PRI members from Coacalco held a demonstration to show their disagreement with what they consider to be "deceit by the PRI leaders in nominating a candidate without consulting rank and file members." They threatened to resign from PRI en masse and to burn their party credentials in public, "because this shows a lack of respect for the decisions made by the 12th PRI National Assembly."

Ernesto Valencia, chairman of the PRI municipal committee in this locality, stated that when he arrived at the party offices this morning he found that part of the building front had been burned. Legal authorities confirmed moments later that incendiary bombs had been thrown at the PRI offices.

The PRI shields were stained with paint and oil.



Many members of the PRI sectional committees had come to the offices in the morning to protest what they perceived to be the betrayal of party members. They announced a march to demonstrate their repudiation of the state officials' decision.

Finally, they said that they will not allow the PRI convention to take place this Sunday for the purpose of nominating Juan Manuel Perez Balbuena as PRI's candidate.

#### "Major Fraud" in Los Reyes

In addition, in Los Reyes La Paz, representatives of the Coalition of Political Groups, the Independent Peasants Central Organization (CCI), the Mexican Agrarian Confederation, and the first and second sections of the Association of Settlers of the Los Reyes Valley, claimed that in the plebiscite held today to nominate a candidate for municipal president "major fraud" was committed on behalf of Luis Ceron Nequiz.

Juan Manuel Alvarez, Carlos Fonseca, Raul Hinojosa, Irene Diaz Cruz, and Rodolfo Samaniegos, representatives and members of these groups, indicated that Municipal President Gabriel Alcantara, Treasurer Margarita Ceron Nequiz, and Potable Water Chief Irene Marisela Ceron "worked" openly to duplicate credentials and "stuff" the ballot box in favor of the treasurer's brother, "which has caused great discontent among the citizens."

#### Transporting Outsiders

Taking advantage of his influence in the municipality, stated the complainants, the municipal president transported municipal employees and outsiders in order to maintain a "majority" at the polls.

"This is a mockery of the people," they said, "who always believed PRI's promises to select candidates for municipal president from among them. The consequences of this great fraud could lead to violence," they concluded.

#### Unrest in Tlalnepantla

In Tlalnepantla two PRI groups gave clear indications that they planned to revolt against the party, by passing out leaflets and holding some protest rallies at which they insisted that Sergio Contreras Cruz should be the candidate. Yesterday, Cuauhtemoc Sanchez Barrales was designated the official PRI candidate for this city.

The "Ricardo Flores Magon Group" and the Pro Democracy Association stated that they do not recognize Sanchez Barrales as their candidate.

In Cuautitlan Izcalli there were also signs of unrest among the sectional committees after it was learned that PRI had elected Lorenzo Vera Osorno as its candidate for municipal president. They claimed that there are a number of legal charges pending against this politician.

In other municipalities, such as Tultitlan, Metepec, Atlacomulco, Chimalhuacan and Jilotepec, among others, it was reported that on convention day more strident dissent may be manifested.

### Town Halls Seized

Mexico City EXCELSIOR in Spanish 23 Sep 84 pp 5-A, 31-A

[Article by Manuel Lino R.]

[Text] Toluca, Mexico, 22 September--Yesterday the conventions were held to elect PRI's candidates for municipal president in the state of Mexico. At some of these events, high emotions led to violence, take-overs of town halls, and violations of the law.

In Zumpango, PRI members who did not agree with the candidate nominated took over the Municipal Palace in the morning, trapping Mayor Arturo Avila, a syndic, and six other people inside, "because the candidacy of Cecilio Barrera was forced on us."

At nightfall the PRI members were still in the town hall, and announced that they would stay there "until the deceit that was practiced on the people is reversed."

The PRI convention, which had been scheduled to begin at 1000 hours in the Municipal Auditorium, was held at 0800 hours in the town of San Pedro.

In Tenango del Valle, Toluca, more than 300 people took over the town hall protesting the designation of Wilfrido Lara Garduno as candidate for municipal president.

In the municipality of Hueypoxtla, a group of 200 angry PRI members also took over the town hall, threatening to burn the offices in the municipal building "if PRI does not reconsider nominating Sergio Dionisio Hernandez."

Along with the dissidents from Zumpango, they named a committee to go to the PRI offices in Toluca tonight in order to demand that democratic nominations take place, "not a mockery of the people."

In addition, in Valle de Bravo, businesses in the city shut their doors in protest against the nomination of Francisco Nunez Reyes as candidate for the municipal presidency, inconveniencing thousands of locals and tourists. Oscar Tirado, representative of the merchants, stated that until "this manipulation by Oseas Luvianos" is changed, "merchants will maintain this stance. The people cannot continue to be deceived this way."

In Temazcalapa, after the PRI delegates went into hiding, trying to carry out the convention to nominate that party's candidate, it was decided to suspend the political event for today, in view of the populace's discontent.

#### Convention at Nightclub

In the municipality of Coacalco--where it was learned that Juan Manuel Perez Balbuena was the party's candidate and two Molotov cocktails were thrown at PRI offices--this morning an extraordinary action was taken: After it was announced that the convention would take place in the Municipal Auditorium, in order to avoid protest demonstrations and possible confrontations, PRI officials decided to pack up everything, including the candidate, and head for the nightclub El Pichacho, where they nominated Perez Balbuena.

In Cuautitlan Izcalli, where Lorenzo Vera Osorno was designated the party's candidate, the convention that had been scheduled for 1000 hours could not be held until 7 hours later, due to the great unrest throughout the municipality. The 17 PRI precandidates who were registered and hoped to win the support of the party also joined in the protests. After several unsuccessful attempts, at 1730 hours the event took place, a quick convention that lasted only 20 minutes.

After that, it was stated that the committee would go to Toluca to protest "the imposition of a man who has criminal charges against him."

#### Convention for Early Risers

In Teoloyucan, it was reported that the PRI convention was held at 0600 hours, due to fear that later rising party members would demonstrate. The party meeting had been scheduled to take place in the Municipal Auditorium, but was actually held in the town of Santa Cruz, which sparked a wave of protest.

In Tultitlan, another municipality where there was a great deal of unrest because a candidate who came from a rubber company, Fidel Gonzalez, had been named, the convention was held early in the morning for fear the populace would protest.

#### "No to Political Patronage"

"No to political patronage," read the grafitti on a wall in Huehuetoca, where PRI members painted downtown walls. "Out with Felipa. She doesn't live here," said another sign, referring to PRI's candidate for municipal president, Felipa Alonso Martinez.

In Ecatepec as well, PRI changed the site of the convention from the Civic Center to the Miner's Union. Raul Velez was invested at the convention.

In Atizapan de Zaragoza, a protest rally was announced because of what was termed "one more imposed candidate," Macario Yanez Valdovinos, who was promoted by a powerful local family as candidate for the municipal presidency.

There was also manipulation at the political convention in Los Reyes La Paz yesterday, where it was claimed that there was "ballot box stuffing and falsification of credentials." By this means, the current mayor allegedly intends to impose his follower as candidate. It was announced that a committee will go to Toluca tomorrow to protest the event.

A letter was sent from Coyotepec to the PRI state committee, stating that "we request that a moral renewal be launched and that political patronage and corruption be eliminated. We would like the guidelines approved at the 12th National Assembly of our party to be enforced in Coyotepec: that municipal presidents be those supported by the majority of PRI members."

"We protest the candidacy of Efren Pineda Velazquez as municipal president of Coyotepec, because we are not aware of his having worked in our party, and because he is a follower of political boss Ruben Salas Estrada, who for 15 years has held political control over our party."

The missive was signed by the representatives of the Mexican Front for Human Rights, the Committee for the Rights of Peasant Women, the Ejido Potable Water Board, the Organization of Popular Merchants, and other PRI organizations.

In the city of Toluca, a protest demonstration was held by the residents of San Bartolo Morelos over the designation of Gabino Arriaga as PRI precandidate for that area's municipal president. The sign-carrying demonstrators went to the PRI building.

In the municipality of Villa Victoria, PRI precandidates for the municipal presidency of that place came out against Raul Lara Rodriguez, who was supported by PRI, because they claimed he has no ties to the municipality and is being imposed by Mayor Etelvina Vargas.

PRI registered precandidates Maximiliano Gonzalez Martinez, Pedro Estrada and Jose Gonzalez Archundia stated that any other precandidate would be accepted in Villa Victoria except for Raul Lara Rodriguez, because his only tie to the community is that he is a concessionaire of Modelo beer.

They stated that if PRI does not rectify this situation, they will be forced to take over the mayor's office until a democratically elected precandidate is designated.

This Sunday a large number of conventions are to be held, including those at Atizapan and Tlalnepantla.

#### Groups Seek State Governor

Mexico City EXCELSIOR in Spanish 24 Sep 84 pp 4-A, 38-A, 41-A

[From "Political Fronts" column, by Aurelio Ramos M.]

[Text] PRI members' discontent over the "anti-democratic" selection of candidates for municipal president is growing in several municipalities in the state of Mexico, including Zumpango, Hueyapoxtla, Chimalhuacan, Tenango del

Valle, Valle de Bravo, Cuautitlan Izcalli, Los Reyes La Paz and others, where city halls and party offices have been taken over.

In front of the Toluca City Hall and the PRI headquarters in that city yesterday demonstrations by discontented groups continued as they tried to meet with Governor Alfredo del Mazo and party leader Mario Ruiz de Chavez in order to explain the reasons for their protest.

In Zumpango and Hueycoxtila the town halls are still being held by opponents of the official candidates, Cecilia Barrera and Dionisio Hernandez Ramirez. And in Los Reyes the unrest has worsened, because until the night before last party officials had been promising to consult the people, but at the last minute they decided in favor of Luis Ceron.

And in Chimalhuacan numerous groups oppose the candidacy of Jose Corona Gonzalez in view of evidence that officials of the Soil Control Commission of the State of Mexico rigged the selection process to favor Corona Gonzalez over the ten other precandidates.

In Valle de Bravo, no one has been able to determine where the conventions of the three sectors were held to "elect" the candidate and his slate of councilmen. It is said that early in the morning the leaders met stealthily to sign documents without the people finding out, since on the eve of the convention there had been protests by merchants and the public in general over the imposed candidacy of Francisco Nunez. The candidate is a disciple of the political boss of the Golf Club and of Governor Del Mazo. The precandidate with the most support seems to be Jose Olvera.

There is tension in Coacalco. Juan Manuel Perez Balbuena was elected at a convention whose site, like the one in Valle de Bravo and other towns, no one knows. "The people's discontent is a time bomb," leaders of the sectional committee of PRI itself told correspondent Manuel Lino.

In Cuautitlan Izcalli the 17 precandidates termed the designation of Lorenzo Vera "highway robbery," and warned that the population will use all the resources available to it to assert its political rights, now being trampled by the leaders of its own party.

Meanwhile, in the party headed by Ruiz de Chavez it was reported that the protests "are the result of interests opposed to the democratic selection" of candidates, and it was even claimed that in many municipalities negotiations have been held to conciliate such interests, which would indicate that peace should be restored in the next few days.

PRI members who do not agree with the nominations spent yesterday going to newspapers, offices of prominent politicians, and especially the headquarters of the national executive committee, where they tried unsuccessfully to meet with leader Adolfo Lugo Verduzco.

In Tlalnepantla the situation for PRI is no less difficult than in those municipalities where unrest already has been manifested in the form of take-overs of offices. In this case there is unhappiness because of the



administrative and political background of candidate Cuauhtemoc Sanchez Barrales, who was already municipal president from 1976 to 1978.

During his administration, PRI members recall, restoration projects that had been proposed and planned by previous administrations were carried out in downtown Tlalnepantla. The work was financed by contributions from the public. A tremendous amount of money exchanged hands . . . and Sanchez Barrales is now one of the richest men in the state of Mexico.

Adolfo Mejia, who until the middle of last week appeared to be the favored candidate, certainly must have special reasons for opposing Barrales, because he was one of those calling for court injunctions against soliciting funds for urban renewal during those years.

#### Candidates in State of Mexico

The PRI State Executive Committee for the state of Mexico yesterday released the list of candidates for municipal president who were ratified at conventions, plebiscites and sectional assemblies held yesterday. The aspirants are:

Otilio Plata Garcia, for Acambay; Filiberto Contreras Vilchis, Almoloya de Juarez; Maria del Carmen Bastida Z., Amatepec; Juan Manuel Perez Balbuena, Coacalco; Felipe Pineda Velazquez, Coyotepec; Justino Martinez Caballero, Chapa de Mota; CP Raul Velez Garcia, Ecatepec; Dr Felipe Alonso, Huehuetoca; Dionisio Sergio Hernandez R., Hueypoxtla; Antonio Huitron Vera, Huixquilucan; Yolanda Vicencio Trujillo, Ixtapa del Oro; Javier Barrios Gonzalez, Jilotepec; Juan Jose Sanchez Martinez, Jocotitlan; Dr Gabino Alvaro Arriaga P., San Bartolo Morelos; J. Lucio Ramirez O., Nezahualcoyotl; Jaime Vicente Reyes Ramiro, El Oro; Matias Gonzalez Colindris, San Antonio la Isla; Luis Lopez Rojas, San Felipe del Progreso; Roberto Lopez Suarez, Soyaniquilpan; J. Manuel Salgado Montesino, Tejupilco; Jose Garnica Garnica, Temascalapa; Carlos Chavez Jurado, Temascalcingo; Hector Gordillo Jimenez, Tenancingo; and Fortino Vargas Lopez, for Teoloyuca.

Amador Gallardo Lima, Tepetlixpa; Dr Oscar Munoz Alonso, Tescayacac; Alberto Pichardo Colin, Timilpan; Agustin Gasca Pliego, Toluca; Fausto Antonio Urgan Velasco, Tultepec; Fidel Gonzalez Ramirez, Tultitlan; Francisco Muniz Reyes Bravo, Valle de Bravo; Jose Luis Castillo Alvarez, Villa de Allende; Lorenzo Vera Osorno, Melchor Ocampo; Enrique Diogenes Conde Torres, Calimaya; Modesto Garcia Sanchez, Polotitlan; Rafael Ezcudia Perez, San Mateo Atenco; Ricardo Mendoza Moreno, Ixtlahuaca; Jose Zuppa Nunez, Tepetzotlan; Professor Javier Gonzalez A., Atlacomulco; Rosendo Melgar Avila, Malinalco; Alejandro Molina Lopez, Santa Cruz Atizapan; and Victor Manuel Vilchis Monroy, Zinacantepec.

## Complaints Explained

Mexico City EXCELSIOR in Spanish 24 Sep 84 pp 4-A, 37-A

[Article by Manuel Lino R.]

[Text] Hueyapoxtla, Mexico, 23 September—"A person not approved by the people is just too much," said Felix Gonzalez Torres, local municipal president in his simple homespun philosophy, regarding the situation in this place where the people have been occupying the city hall for more than 72 hours to protest "the imposition of a ghost candidate." "I am a PRI member," he added, "but I think the people have gotten tired of this. PRI has promised so much at its assemblies, and it has not done anything."

As of this evening, the city hall of this locality, along with those of two other towns, has been occupied by PRI members who disagree with the nominations for municipal president by the Institutional Revolutionary Party. In at least 15 other municipalities in this state, the tension and dissent among the people have become evident; today more than 20 conventions were held for the party to invest new candidates for municipal president.

Is the nomination of Dionisio Sergio Hernandez as PRI candidate in this municipality evidence of political patronage? "I can't say, but I think the people feel it is."

"This is very bad," added Gonzalez Torres, "because the rank and file were not consulted. We don't even know if the convention has already taken place. Of course the people will be upset with that candidate, who is from the National Confederation of Popular Organizations (CNOP), when most of them are peasants."

He said in conclusion that a committee had gone to Toluca, where they will try to meet with PRI leaders to seek a solution to this serious problem. Meanwhile, he said, the peasants have indicated their decision to stay as long as necessary, until they are heard.

Sara Gonzalez Hernandez, Humberto Lara Garcia, Juan Garcia Estrada and Silvia Rodriguez, members of the information committee named by those who have occupied the Municipal Palace since the day before yesterday, stated that "the people of Zumpango will not give an inch in their demand that a candidate, Cecilio Barrera, who does not even live here, not be forced on them."

We occupied the town hall because we feel that the people "should no longer be deceived. We cannot tolerate the fact that our party, which promised us a clean selection process, without patronage, nepotism or 'old boy' politics, has forced upon us an individual who does not live here, who has no knowledge of the problems our community faces, and who was not even elected by us, the ejido commissariat members and peasants, PRI members all."

They pointed out that a committee left for Toluca this afternoon, where it will convey the PRI members' refusal to accept the candidacy of Cecilio Barrera for the municipal presidency.

They stated in conclusion that they will not abandon the Municipal Palace for any reason until they are listened to and a candidate they have really elected is named.

In Los Reyes La Paz, according to the delegates of the Los Reyes Valley, Sections I and II, Gerardo Urban and Jose Luis Hernandez Sosa, respectively, "outbreaks of violence could occur now that it has been announced that PRI finally recognized Luis Ceron as its candidate. By all accounts, he was imposed by the current municipal president and the municipal treasurer, his sister. This situation has caused a great deal of irritation, since we have played the clean game with our candidates while PRI has supported a totally unpopular candidate."

We hope our party will revoke this decision, which is highly offensive to the people," they concluded.

The police in Tenango del Valle, meanwhile, reported that "a group of people were holding the town hall as of this afternoon, apparently protesting the choice of candidate."

#### Candidates Approved

Mexico City EXCELSIOR in Spanish 24 Sep 84 pp 5-A, 34-A

[Text] Toluca de Lerdo, Mexico, 23 September—Thousands of PRI members in the state of Mexico, in an atmosphere of enthusiastic participation and total democracy, confirmed today their full support for the candidates designated by the Institutional Revolutionary Party for the 121 mayor's offices up for reelection in this state, reported the state government.

The conventions, plebiscites and sectional assemblies concluded today amid great demonstrations of party unity and a festive atmosphere, the direct result the selection of the best men for each of the 121 municipalities by rank and file members of the Institutional Revolutionary Party in a wide-ranging and serious process of consultation. Thus, there is no doubt that the party's candidates will win the elections next 11 November.

Party members were aware that the process of internal candidate selection that PRI has carried out in the state of Mexico represents the implementation of the agreements and guidelines determined by the 12th National Assembly of the Institutional Revolutionary Party, says the party's electoral committee.

The PRI members of the 121 municipalities of the state of Mexico showed their overwhelming unity and their fierce determination to elect the candidate with the strongest ties and popularity among the populace; they also showed political maturity in resisting manipulation by outsiders, stated the committee.

In the municipalities where minority groups tried to impede and destabilize the process, the determination of the majority of rank and file members ultimately prevailed, and all ended satisfactorily. The town halls that were occupied by dissidents were vacated today, reported the party.

Party officials also noted that the unity of PRI members overcame the obstacles and agitation which were unsuccessfully promoted by groups whose very limited interests were damaged. Their report on the individual municipalities is as follows:

#### Calimaya

In this municipality, where tiny groups tried to impede the progress of the convention, the PRI membership finally gave strong backing to the candidacy of Enrique Diogenes Condes Torres.

#### Topotzotlan

The convention held in this municipality held a secret and direct vote, and PRI members awarded victory to Jose Zuppa Yanez.

#### Valle de Bravo

Amid total order, tranquility and a climate of democratic festiveness, PRI members in this municipality ratified the candidacy of Francisco Nunez Reyes for municipal president at the PRI convention.

#### Metepec

Jose Rico Avila, who has an extensive political background, received the unanimous support of PRI members in this municipality at the convention held here.

#### Temascaltepec

The plebiscite held here to elect the candidate of the Institutional Revolutionary Party for the municipal presidency overwhelmingly favored Rodolfo Macedo Segura.

#### Ecatzingo

In this municipality as well, the Institutional Revolutionary Party used the plebiscite system to elect its candidate for municipal president. Seven aspirants competed, and the vote favored Ranulfo Soriano.

#### Chiautla

In this locality the sectional committees carried out a direct consultation, and by secret vote Fernando Buendia Sanchez was nominated as PRI's candidate for municipal president, with 839 votes. Second place went to Manuel Ponce Serafin, with 768 votes; and third place went to Fortino Flores Diaz, with 639 votes.

### Santiago Tianguistenco

The election of the PRI candidate for municipal president in this place was held at a problem-free convention, with the participation of the entire community. Its total support went to Enrique Reza Soriano.

### Tejupilco

Dr Manuel Salgado Montesinos was elected as the PRI candidate in this municipality, at a convention held in a climate of complete tranquility.

### San Mateo Atenco

This municipality voted by a wide margin to elect Rafael Escutia Perez. He obtained 1,186 votes; Carlos Gonzalez Gonzalez won 915 votes; Juan Valverde, 734 votes; Pedro Hilario Silva Vega, 524 votes; Jose Alfredo Lamas Pichardo, 511 votes; and Jesus Bobadilla Valadez, 225 votes. PRI unity was confirmed when the winning candidate was accepted.

### Tlalnepantla

With the support of all the organizations that comprise the various sectors of PRI in this industrious municipality, Cuauhtemoc Sanchez Barrales was elected to run for municipal president in an organized convention that acclaimed him because members recalled with enthusiasm how well he had performed when holding the office of constitutional municipal president previously.

### Atizapan de Zaragoza

Macario Yanez Valdovinos was elected at the convention held in Ciudad Lopez Mateos, to run on the PRI ticket for municipal president of this locality. The convention took place in an orderly environment with open and full participation.

### Almoloya de Juarez

At the regular municipal convention, Filiberto Contreras Vilchis was elected to be the PRI candidate for municipal president, receiving the support of all groups. There were small incidents here, organized by people who favored another aspirant.

### Villa de Allende

The convention at which Jose Luis Castillo Alvarez was nominated to serve as PRI's candidate for municipal president took place amid perfect order, and the nomination was welcomed enthusiastically.

Once the convention coordinating committee approves the results of today's elections, the candidates of the Institutional Revolutionary Party will take the statutory oath the day after tomorrow in a special event, accompanied by the candidates for local deputy seats.



## Continued Town Hall Occupations

Mexico City, MX, September 25, 1977, pp. 5-A, 31

[Article by Manuel Lino]

[Text] Toluca, Mexico, 24 September- Just a few hours before the PRI candidates for the 34 local deputy seats and the slates of candidates for the 121 city governments of the state of Mexico take their oaths, PRI members who disagree with the party's nominations are still occupying nine town halls in protest, while some 3,000 more demonstrated against the nominations last night in front of the party headquarters in this city.

In addition to the municipal government buildings of Zumpango, Hueyboxtla, Calimaya, Villa Victoria and Temoaya, occupied by dissident PRI members, today those of Ocoyoacac, Almoloya de Juarez Xonacatlan and Villa Cuauhtemoc were also taken over, reported the respective police departments.

In this city some 3,000 people gathered outside the building of the PRI State Executive Committee, demanding "the withdrawal of imposed candidates" by shouting and waving signs.

Reports indicated that the demonstrators came from the municipalities of Ocoyoacac, Metepec, Zumpango, Temoaya and others.

The state PRI organization announced that tomorrow, Tuesday, at 1030 hours, a ceremony will be held at the Morelos Theater for the party's deputy and city government candidates to take their oaths. It reiterated that the expressions of dissent that have come from some municipalities have been promoted by people whose personal or group interests were not served.

These protest demonstrations are only natural, added the party's spokesman, if we consider that they are carried out by groups who aspire to win power. On 11 November, the people will vote and hand victory to those who were nominated by PRI, "because it was the majority that decided on the nomination of candidates."

At PRI headquarters it was also reported that the secretary general of the National Executive Committee (CEN), Irma Cue de Duarte, will attend the ceremony.

### Resolve with Dialogue

At the Office of Public Security and Transit it was reported that forces are on alert, but there are no plans whatsoever for intervention to vacate the premises. "We hope that common sense will prevail and that everything can be resolved on the basis of dialogue," it was stated.

In Zumpango, where the town hall has been occupied for more than 4 days, representatives of the ejido comisariat of San Pedro, Juan Hernandez, Gonzalo Garcia and Pedro Garcia, who are inside the facility, indicated that the PRI members who disagree with the nomination of Cecilio Barrera as candidate will

remain in the town hall "until the decision to maintain that man as candidate is revoked."

They stated that they were still waiting for authorities to review the situation, so that "by means of a plebiscite the people can elect their true candidate."

In Hueypoxthla, where some 300 people are occupying the Municipal Palace, the situation was tense. According to the information committee, they were not even informed that a convention was being held to elect Dionisio Sergio Hernandez. "Here we don't even know him, so we can't recognize him as our candidate."

They indicated finally that they will abandon the facility only when the decision has been revoked and "we can participate with our candidates."

In Coacalco, Cipriano Mejia, president of PRI Sectional Committee 2; Reynaldo Montoya, of Sectional Committee 2 B; Eduardo Ortiz, of Sectional 14; Juana Hernandez, of Sectional 13; Alicia Canales, of Sectional 23; and the leader of the MJR [expansion unknown], Armando Cano Ojeda, indicated that local PRI members have become increasingly unhappy since Juan Manuel Perez Balbuena was nominated as candidate for municipal president without consulting the people.

"Now, with the slate for electing the syndics and councilmen, they are once again trying to force on us candidates who know nothing about the problems of the municipality. Many PRI members have gotten disgusted and have indicated their desire to resign en masse."

Luciano Tapia, our correspondent, reported that in the municipality of Los Reyes La Paz, popular representatives expressed their disagreement with the designation of Luis Ceron Nequiz, who "arrogantly told the top-ranking officer of the municipal league of the National Confederation of Popular Organizations (CNOP) that he had given 20 million pesos to Interior Secretary Gerardo Ruiz Esparza to keep him in office over the next 3 years as mayor of the city."

#### Designate New Aspirant

In a complaint to the Interior Secretariat, the PRI State Committee and the office of the president of the republic, the dissidents request that a new candidate be named and reject the aforementioned candidate, as well as Benito Garcia Ceron and Fermin Espinoza Ortiz, who have charges pending against them by the local Prosecutor's Office for rape, fraud and extortion.

The complainants, Raul Gonzalez (commisariat of community goods), Guadalupe Balcazar Espinoza, and Onofre Espinoza Mendez (CNOP secretary of settlers and urban tenants), indicated also that Mayor Gabriel Alcantara Perez provided residence documents to people from outside the municipality, thus altering last Saturday's voter rolls, all to benefit Ceron Nequiz.

In Nezahualcoyotl, associations of professionals, poultry growers and merchants expressed their opposition to the nomination of Jose Lucio Ramirez

Ornelas, considering that he was imposed by current Municipal President Juan Alvarado Jacco.

In Chimalhuacan, correspondent Luis Arturo Ramirez reported that hundreds of residents of various neighborhoods gathered at the town hall to express their disagreement with the nomination of Jose Corona Gonzalez, "who has no roots in the community and is not familiar with our problems."

Led by Nicolas Jacinto and Gonzalo Castro, representatives of the local CNOP, the dissidents requested that the PRI State Executive Committee intervene so that "a candidate of the people" can be designated "and the decision of the people will be respected."

From Teoloyucan, our correspondent Julieta Diaz reported that a group of 500 people, including peasants, workers and merchants from this municipality, went to the national PRI offices to protest to national leader Adolfo Lugo Verduzco the imposition of candidate Fortino Vargas, who they said "does not know anything about the problems of the area."

They also indicated, through their information committee, that "for 12 years our party has been imposing candidates on us," and claimed that "it has disappointed us."

This correspondent also reported that during the fourth day of the occupation of the Zumpango town hall, dozens of people painted the walls of the building and of the PRI municipal committee, as well as other walls and businesses, with signs saying "No to political patronage! No to imposed candidates!"

#### Reconsideration of Nominations

Mexico City EXCELSIOR in Spanish 26 Sep 84 pp 4-A, 28-A

[Article by Manuel Lino R.]

[Text] Toluca, Mexico, 25 September—The PRI secretary general for the state of Mexico, Hector Luna Camacho, acknowledged today that in more than ten municipalities of this city the nominations made by the party for municipal president candidates are being reconsidered.

The leader indicated that the State Executive Committee, with the authorization of the delegate and the National Executive Committee (CEN), is reconsidering some cases, such as those of Ixtlahuaca and Tenango del Valle, where Elda Gomez and Wilfrido Lara were the original candidates. Seeing that the majority of the citizens did not support them, they declined the nominations.

Luna Camacho indicated that the party is not caving in under pressure, but is responding to the direct voice of the rank and file. "In these cases, the municipal delegates informed us that the candidates really had no rank and file support."

In another development, in the municipal police departments of Zumpango, Hueypoxtla, Calimaya and Tenango del Valle, it was reported that dissident PRI members continued to occupy the town halls.

Meanwhile, in Almoloya de Juarez, Ocoyoacac, San Mateo Atenco and Temazcalapa, the leaders turned over the facilities upon receiving a formal promise that each of the rejected nominations would be reconsidered.

Hector Luna Camacho reported that in a total of nine municipalities PRI has delegates who are studying each of the nominations that were rejected by the citizenry. "PRI is trying to conciliate the people's interests," he said. "PRI does not respond to minorities; the party is open to the majority opinion."

He pointed out that in the cases in which the party has reconsidered its decisions, a plebiscite has been called, from which will emerge the candidates who will represent the majority. "We do not fear dissent; on the contrary, it encourages us, because it shows us that our party is in action," he stated.

With regard to the protests that took place at the ceremony today in which the candidates took an oath before CEN Secretary General Irma Cue de Duarte, he stated that they were provoked by "people who were manipulated by groups that oppose the PRI and are trying to stir up trouble."

He stressed that in the next few hours the party will release the names of the candidates whom "the people, through PRI, will nominate in more than 10 municipalities in order to serve as municipal presidents." The leader reiterated that "it is not a sign of weakness in the party to make these reconsiderations; it is just one more recognition of the popular mandate."

The CEN delegate of PRI in the state of Mexico, Angel Sergio Guerrero Mier, said that "these protests do not frighten us or immobilize us; they are positive, because they represent the interest of PRI members in the internal process of selecting candidates. On 11 November, PRI will triumph once again, since the rank and file will respond by voting for the party's candidates," he asserted.

At the end of the oath-taking ceremony for the Institutional Revolutionary Party candidates for local deputy and municipal president, representatives of the sectional committees of Zumpango, Huipoxtlá, Metepec, Temoaya and Calimaya once again expressed their disagreement with the people designated for those posts.

Opposition to the nomination of Sergio Perez Tovar as candidate for municipal president of Tultitlan, according to the dissidents, is due to the fact that this is one more example of a candidate being imposed by Sergio Perez Tovar, secretary general of the union representing the Oxo Good Year Plant, whom they accuse of being a political boss.

8926  
CSO: 3248/19



MSGR PRIGGIONE OPPOSES CLERICAL POLITICAL ACTIVITIES

Mexico City EXCELSIOR in Spanish 27 Aug 84 pp 1-A, 12-A

[Text] Yesterday, Msgr Girolamo Priggione, the Vatican's representative in Mexico, said that any member of the clergy who participates in Mexican politics will be removed from the position that he holds.

The Vatican representative, who visited Rome on vacation, gave a reminder that, during the last presidential campaign held in Mexico, there were two religious who made use of public platforms to give speeches, one on behalf of the PAN [National Action Party] candidates, and another favoring those of PSUM [Unified Socialist Party of Mexico]. He noted that both were severely reprimanded by the church authorities, with the warning that, if their conduct were repeated, "more drastic measures would be taken."

Monsignor Priggione stressed that the Catholic Church in Mexico is respectful toward the terms of the Constitution of the Republic, remarking that Sergio Mendez Arceo himself, who was bishop of Cuernavaca and retired from service by reason of age, had been warned that he must not intervene in political matters.

Interviewed at the Mexico City International Airport, Priggione said that the two cases took place, one in Campeche, where a priest spoke in favor of the National Action Party, and another in Ecatepec, where another priest engaged in propaganda for the Unified Socialist Party of Mexico.

Monsignor Priggione noted that members of the clergy may not assume public office in any country, because they are prevented from doing so by the Code of Canon Law.

He remarked that, in the case of Nicaragua, where two ministers of the Church hold government offices (Miguel D'Escoto, in the Ministry of Foreign Affairs, and Ernesto Cardenal, in the Ministry of Education), this has occurred because of the urgent circumstances of the case; because this anomaly was allowed at first, but now they will have to leave those positions, otherwise the Church will disclaim their representative status.

2909

CSO: 3248/10



CIUDAD OBREGON BISHOP DEFENDS BUSINESSMEN'S PREROGATIVES

Mexico City EXCELSIOR in Spanish 20 Aug 84 pp 1-A, 23-A, 37-A, 41-A

[Text] Ciudad Obregon, Sonora, 19 August--Today, the bishop of this city, Luis Reinoso Cervantes, declared that the Mexican business sector "is not a caste, and therefore its representatives may join any political party, including the Institutional Revolutionary Party [PRI]"; and he also noted that, in Mexico, "no one has a right to 'label' the members of private enterprise," remarking that businessmen do not have any political nor civic limitations.

The bishop explained that the position assumed by the Institutional Revolutionary Party's leadership cadres to the effect that the representatives of private enterprise may have no access to this political organization "is a trait typical of the desire to create a caste in the country." He stressed that it must be remembered that this phase ended many years ago.

Four days before the opening of the Institutional Revolutionary Party's 12th National Assembly, Bishop Reinoso Cervantes commented:

"It is now time for radical, deepseated changes to be made in this political party, no longer giving its principles and structures a 'little make-up.'" "Veneer" must be avoided in the work of this national assembly, because otherwise there will be a greater deterioration in that organization.

He stressed that this party must make in-depth changes, adding that, at this 12th National Assembly, the people must be taken into consideration.

Subjection of the Branches

The bishop of Ciudad Obregon who, before arriving in this area, had been in the capital of Nuevo Leon, said that Mexican presidentialism "is a result of our system," noting that, "It is obvious that the Institutional Revolutionary Party is acting in a peculiar way from top to bottom."

He claimed that, so that there would not be so much concentration of power in a single person, there must be an application of the principles of our Constitution, which to some extent has not been upheld.

He also observed that there is a great deal of subjection of the legislative and judicial branches to the executive branch; moreover, he claimed that everything happening in Mexico is due to the lack of responsibility on the part of our people; because, as the saying goes, the people have the government that they deserve.

The bishop declared: "And if we Mexicans fail to achieve integrity, with uprightness and honor, we shall never attain the changes that are needed."

He then noted that the Institutional Revolutionary Party needs something that will "press" it to improve, explaining that this "wedge" should be the Mexican people, "all Mexicans, to put an end to the evils besetting the system."

During this interview, which he had to postpone on two occasions because of the business of Msgr Reinoso Cervantes who must also provide for the religious activities in the municipality of Guaymas, he remarked in addition that the greatest virtue of the Institutional Revolutionary Party "is the discipline that its members retain, despite the difficulties that it is experiencing."

#### False PRI Leaders

Before continuing, he paused to arrange his ideas, so as to state his views clearly. Then he said:

"The people have allowed themselves to be dominated, they have allowed themselves to be taken by surprise by false leaders of the Institutional Revolutionary Party. It is essential that they no longer allow themselves to be carried along by the crowd, like fools; because if this continues, we shall be in very bad condition."

Msgr Reinoso Cervantes gave a reminder that corruption, subservience and flattery are "PRI's worst flaws."

He claimed that those three features have caused political activity in Mexico to fail on many occasions. This is why everything afflicting the country must be overcome.

"There is political corruption and moral corruption," he reiterated, citing as the most obvious example of subservience in Mexico the fact that, "Often, positions on the governmental level are held by cronies, friends and relatives of the one on the top level. And these individuals are not exactly the most capable of leadership and of being responsible for a certain area of public administration."

This assertion did not end there, and he added:

"Subservience in political life, in the government area, is one of the most negative features of the political system. On many occasions, this practice is due to the political ineptitude of the people acting in that area."

He said that there must be an end to this.

With little liking for press interviews, Bishop Luis Reinoso Cervantes gave notice that he is neither for nor against the Institutional Revolutionary Party. "In other words, I am not opposed to those who are PRI members, those who run the party; I am against the methods used by that official organization to 'procure' election victories. I am opposed to that."

#### They Govern Only for PRI

He subsequently touched upon a different topic, describing it as another defect of this party: the governors who, on many occasions, govern only for the Institutional Revolutionary Party.

And he remarked:

"Many state governors, obviously from PRI, only engage in governing for people who are members of the official party. When a governor finds that the municipal president of some town hall belongs to a different political organization, that mayor will find it very difficult to obtain any of the budget that is due his town hall by right."

The opposition municipal presidents faced serious problems when confronting the supreme authority of a federative state, and this should be abolished. And to achieve this, the state governor must have a civic and political consciousness; because with this sort of political reprisals, the ones who suffer most are the people, not the mayor.

He said: "But when town halls in the power of the official party are involved, the budgets are on time and there are no problems in delivering them. This type of persecution must also end."

#### PRI Is Like an Ostrich

Admitting that not everything in the Institutional Revolutionary Party is negative," Reinoso Cervantes said that, for a long time, "this political party has assumed an ostrich-like position when it wants to solve a problem; and to achieve this, it merely hides its head."

The result of this is that, instead of resolving the negative situations that crop up for it, "it only pretends to resolve them."

In this instance, the bishop speaks fluently, giving the impression that he does not want to lose track of the notions that he is stating, claiming that when the Mexican people acquire a complete civic consciousness then we shall be heading toward genuine democracy, because PRI will be forced to change its methods and strategies for an election battle, and so it will no longer pretend to solve the problems that arise in the country.

On another subject, the bishop stressed that, in the politico-electoral battle, "one must know how to accept the victories and defeats," remarking that, in this respect, the party in power "has partially committed electoral theft."

He mentioned the opposition political parties, remarking that, "Some of them have had a worthy, honest position in our system"; stating that the Institutional Revolutionary Party should enter a political competition without advantages of any kind. It must be honest in its struggle for power, and it must confront the opposition political organizations under equal circumstances. That would be a great achievement."

#### LEA and JLP 'Were Deified'

He gave a reminder that, "because of the corruption and bureaucratism, political activity in Mexico has been vitiated and upset. All this happened from 1970 to 1982. Luis Echeverria and Jose Lopez Portillo were greatly to blame for this; but the people were to blame also, because they lacked this virtue."

He also noted that those two presidents "allowed themselves to be deified by the people around them. They always thought that everything they did and said was good, and now we realize that they made many mistakes."

The bishop claimed that there was a great deal of political immaturity in these two presidents, and an environment that did not benefit them either in the government system or in private enterprise.

He said that during those 12 years, certain members of private enterprise, in order to ensure their business firms, did not always remain faithful and steadfast toward their principles.

In conclusion, Bishop Luis Reinoso Cervantes said that we must avoid letting the "labeling" of groups or sectors of our society convert us into a country wherein there are first and second-class citizens. Businessmen do not comprise a caste; they are Mexican citizens and they have every right to belong to a political party.

He concluded by saying that those in private enterprise are free, according to their conscience, to participate in political organizations, and nothing or no one can limit them in this respect.

2909

CSO: 3248/10

PRI FEDERAL DISTRICT CAMPAIGN AIMS TO EASE ECONOMIC HARDSHIP

Mexico City EL DIA in Spanish 15 Sep 84 'Metropoli' Supplement p 3

[Text] With the establishment of modules and marketplaces in the 40 electoral districts of the nation's capital, in which the public will be sold school supplies and uniforms, processed items and perishable products of prime necessity, the Federal District PRI [Institutional Revolutionary Party] started a crusade yesterday to ease the economic hardship of the lower classes.

The initiation of this program (called "Popular-Civic Festivals") took place in Electoral District XXIV, attended by the PRI's capital president and the Tlalpan delegate, Guillermo Cosio Vidaurri and Gilberto Nieves Jenkin, respectively, as well as by members of the PRI Steering Committee and officials from CONASUPO [National Company for Basic Commodities], Diconsa, Liconsa and Impecsa (the latter headed by Raul Salinas de Gortari, general manager of Diconsa).

The ceremony took place at the General Rodolfo Sanchez Taboada Auditorium, located in the Torres de Padierna housing development, and was attended by about 500 persons, despite the pouring rain.

The main purpose of this action "for defense of the people's economy" undertaken by the capital's Institutional Revolutionary Party is to aid members and sympathizers in the battle against the high cost of living and the decline of their purchasing power. Guillermo Cosio Vidaurri explained that, with these activities, PRI members would be served with regard to meeting their needs for food and clothing, but, at the same time, attention would be given to the areas of recreation, amusement and other activity, from the standpoint of regulating land ownership and providing advice on housing construction.

The PRI leader added that, this is how the party is addressing the demands of the capital's population, and it is also how the resolutions from the recently held 12th Regular National Assembly of PRI are being adhered to.

He publicly thanked the government agencies involved in these activities, because in this way they are showing by deeds the solidarity that they offer the lower classes.

Cosio Vidaurri expressed gratification at the fact that the members of the local committees have expended all their effort to make these popular-civic



activities materialize for the community's benefit. Then he remarked that the Institutional Revolutionary Party needs to have this assistance from the local committees, "if we want to be a strong, vigorous party that will penetrate the masses."

The chairman of District Committee XXIV, Ernesto Aguilar Apiz, in turn, stressed the fact that the Institutional Revolutionary Party's endeavor is not confined to office business, but rather goes beyond that to serve the community.

He remarked that now, with the aid offered by different government agencies which are putting at the disposal of the public in these activities basic, essential items and products, there is palpable proof that PRI is progressing with the protection of the family income and hence the safeguarding of purchasing power.

A few moments later, PRI board members and officials from the delegation and government agencies involved in these activities went to the sports field of that General Rodolfo Sanchez Taboada center to make a tour of the People's Supply Center.

Regardless of the rain and mud they walked about where the fruit and vegetable stands were and where the meat (and even fish) selling stands were; later visiting the traveling trucks and trailers of CONASUPO and its subsidiaries, and the mobile pickup trucks and other trucks of the Secretariat of Health and Public Assistance which will provide free service to whoever requests it (in general medicine and dentistry); later observing the mobile pickup truck associated with PRI. They subsequently viewed the booths offering free advice, as well as those for promotion and action to regulate land ownership, and the booth of the architects giving free advice on housing development; and, finally, they visited the one for sports promotion.

The aforementioned party announced that there would be 80 Popular-Civic Festivals during the week (two in every electoral district). Of that number of festivals, 40 will be in fixed locations in every district, and the rest will be held on different routes so as to cover the largest possible expanse of the capital.

During the tour, Guillermo Cosio Vidaurre was informed of the "offers" available in the marketplaces. For example, it was learned that a kilogram of tomatoes is priced at 100 pesos (it costs 250 on the market). For milk and dairy products, the discount is 30 percent from common ordinary commercial prices; and for school uniforms and sports equipment, the discount amounts to 40 percent.

Guillermo Cosio was pleased at the effort that is under way with those activities which, he claimed, will be permanent.

## BRIEFS

BILINGUAL TEXTBOOKS--SEP's [Secretariat of Public Education] general director of Indian education, Candido Coheto Martinez, announced that, during the next 2 weeks, the country's Indian communities would receive about 500,000 cultural bilingual textbooks, for both teachers and students engaged in the first year of elementary school. The official added: "By 1985, it will be possible to keep the commitment to have all books with a cultural bilingual content for the first grade; and later they will be prepared for the other five grades." He explained that in addition to being bilingual, these texts would be typified by their bicultural content because they contain elements of both Indian and Western culture, in order to achieve a worthwhile combination of the two. He announced that a group of specialists is preparing the study plans and programs, as well as those for teacher training and the production of teaching materials with a bicultural content, in order to consolidate the bilingual education before the 6-year period ends. [Text] [Mexico City EXCELSIOR in Spanish 30 Aug 84 p 4-A] 2909

CSO: 3248/14

ANAPS SECRETARY GENERAL ON SOCIALIST SOLIDARITY

Managua BARRICADA in Spanish 17 Sep 84 p 2

[Article by Leonel Urbano]

[Text] "Socialist demands and the national emancipation are combined in the Sandinist people's revolution. We identify with socialism, without lacking a critical view of socialist experiences. Basically, socialism has responded to the hopes that history and mankind have placed in it. Frustrations are not the rule, but the exception. I can say that the guerrilla fighter belongs completely to his ideal...."

These words by Comdr Carlos Fonseca, spoken in his 1969 proclamation presenting the 15 points of the Historic Program of the FSLN, had already come up at the beginning of the conversation. Socorro Galan remembers and insists that "our friendship with the socialist countries is historic. Many of our heroes were in those countries during that period of underground guerrilla warfare demanding sacrifices. With the victory, we won the right to maintain relations with them, to legalize that historic friendship, if I may put it that way."

Brief but profound, that is the explanation for the emergence of the Nicaraguan Association of Friendship With Socialist Countries (ANAPS). We then remembered Carlos Fonseca himself, that trip to the USSR and his first writing, "A Nicaraguan in Moscow." The leader of the Sandinist people's revolution also lived and worked for a time in Cuba.

Socorro recalled Carlos Ulloa, the Nicaraguan who gave his life at the Bay of Pigs, spoke of the trips of comrade Rene Nunez, secretary of the national leadership, who now heads ANAPS. She recalled when Humberto Ortega visited Korea as a very young guerrilla leader and compared those years underground with his recent trip as minister of defense and commander in chief of the Sandinist People's Army.

Socorro says: "Part of our job is to spread the principles of socialism the fact that the Somoza dictatorship kept us in ignorance and distorted them." But it is also necessary "to inform the socialist countries of our fight and the accomplishments of our revolution."

For that reason, ANAPS "maintains bilateral relations with social organizations in those countries fighting for friendship and cooperation between nations."

Since 12 June 1981, when ANAPS was founded, it has engaged in many activities. In 1983 alone, it held over 200 political-cultural events and this year, has emphasized activities in the departments so that the people of all Nicaragua may participate in them more and more.

"Orienting and educating our people, telling of the struggle and the accomplishments of the socialist countries and also, paying constant recognition to socialist solidarity with the people of Sandino" are ANAPS objectives, its secretary general explained.

We spoke of those objectives and recalled that only days before, the United Nations had revealed world aid to Nicaragua since 1979 and noted that the aid of the socialist camp totaled some \$600 million. However, cold figures do not always tell the whole story. Hundreds of professional and technical personnel from socialist countries share the difficult task of reconstruction with the Nicaraguans.

"That is also internationalism: sharing, giving, helping, independently of what the imperialist enemy does with it. That hurts them because such internationalism is friendship and strikes at the exploiter class and its privileges," Socorro says, expressing gratitude and recognition for the large number of Nicaraguan students on scholarships in socialist countries.

Disseminating this information is part of the life of ANAPS, which has its publication AMISTAD. At the present time, it also broadcasts over Radio Continental, Radio Futura and five other departmental transmitters. The program is "Getting Acquainted With the New World," on the life and progress of nations building socialism.

ANAPS, whose High Council includes, in addition to Rene Nunez and Socorro, Lucio Jimenez, Edgardo Garcia, Gustavo Tablada, Alejandro Solorzano, Father Ernesto Cardenal, Comdr Doris Tijerino, guerrilla Comdr Leticia Herrera, Danilo Aguirre and Carlos Perez Bermudez, engages in its activities based on mass organizations and institutions. It is an outstretched hand, a friendship bridge.

11,464  
CSO: 3248/6

LETICIA HERRERA ON STRENGTHS, WEAKNESSES, LIMITATIONS OF CDS

Managua BARRICADA in Spanish 9 Sep 84 p 6

[Excerpts] When, along with other comrades, that Sandinist woman began in 1972-1973 to set up forms of communal organization in the Leon suburbs of Subtiava, La Providencia, La Ermita de Dolores, El Coyolar, San Carlos and others, she never imagined that these circles of people who studied, protected themselves from the Guard and supported one another would become what they are today: over 500,000 Nicaraguans making up the Sandinist Defense Committees.

Nor did she ever imagine she would be the general secretary of the organization, whose members include 256,350 vigilant revolutionaries who are the No 1 enemy of the rapists, thieves, mercenaries, criminals and other social outcasts.

Guerrilla Commander Leticia Herrera speaks today on the sixth anniversary of the most powerful mass organization of the revolution, discussing its support for the government and its contradictions with it, its relationship with the FSLN, its problems and limitations, the excesses and deviations of some of the members. She explains why they are so violently attacked by reactionaries, denies the slanderous claims that they are a coercive force against the people, and so on.

The CDS are truly involved in all national life and although the general secretary says that one must not make the organization look mercenary because one cannot quantify the people's power, it is nevertheless valid to emphasize that the communal activity of the CDS, expressed in cordobas, would represent an astronomical figure.

As an example, if the people's health brigade members were paid for a month the salaries of a nurse's aide, they would draw 91 million cordobas, and with the revolutionary vigilantes paid as guards, the figure would rise to some 600 million cordobas.

It must be remembered that the CDS perform countless and diverse communal tasks such as school construction, the building of latrines, sewer systems, the installations of electrical systems and wires, and so on, and that their structures have served as the basis for the development of production, agricultural and handicrafts cooperatives and so on.



Herrera points out the absurdity of the claim that the CDS are a copy of the Committees for the Defense of the Revolution, when the CDS actually have a very individual origin, one in keeping with their own history and culture. However, she does point out the similarities in content with respect to the fact that they are forms of people's government that contribute to the preservation, consolidation and development of the revolution.

In evaluating the CDS as they are at present, six years after their official founding on 9 September 1978, the general secretary states, without sectarianism or boasting, that "the CDS are a decisive reality within the development of the revolutionary process."

She points out that the CDS have the most aware portion of the Nicaraguan people, as seen in their different social, economic, political and religious expressions.

She also points up the strategic importance of the CDS, noting that they are a form of government constituting an alternative for the people when the state disappears.

Being an expression of the people's government, the CDS have to be furiously attacked by the reactionaries. Herrera explains it: "The CDS are the concrete expression of the creative strength of the Nicaraguan people, but it is in defense where they most demonstrate their force because it lies in the ability to detect the minimum movement, the slightest manifestation against the revolution.

"No counterrevolutionary activity escapes the vigilance of the CES, meaning the vigilance of the people. Naturally, anything not in keeping with the revolution views every member of our organization as its declared enemy because the latter will not permit any attempt on the process."

The statements made by the guerrilla commander lead us to ask her about the claim of reactionaries in the sense that the CDS watch, control and limit the people. She responds: "Individuals organized in the CDS are from the people. Consequently, it is the people who watch those social sectors which, deeming themselves harmed by the revolution, do not agree with the process. The people have to ensure the preservation of the revolution.

"It is therefore not vigilance over the people. Rather, it is the people who are standing watch. Internationally, it is said that the CDS meddle in family affairs. What happens is that often the CDS coordinator, because of the great moral authority he has, gains the confidence of the people and then asks for help on all kinds of problems.

"When the CDS does intervene is, for example, when it knows that in a given home, there are so many children and that they have not been taken for their vaccinations. It then asks why they have not been taken and offers to take the children. If this is meddling in the private life of the family, then truly it is in terms of its social work."

## Excesses of CDR Members

Naturally, excesses occur in individuals with posts in the CDR. To make the point to the interviewer. The commander stated first that the CDS have a heterogeneous social makeup and that as a result, there is also heterogeneity in the political maturity of the members, meaning that there are erroneous interpretations of the organization's lines of action.

There are very liberal people, people who are anarchistic and the large majority who clearly understand their functions. Herrera specifically refers to persons with leadership posts who believe they are immutable, who see themselves as the law on the block, who are arrogant and who have been guilty of arbitrary actions.

"We have decided that in such cases, those persons will be removed from their posts," explains the commander, who gives the example of a case of embezzlement in the Omar Torrijos district.

She reveals that to handle the CDS coordinators who believe themselves to be eternal, the national leadership of the organization plans to establish a term for posts.

We also asked the CDR official about alleged interference of the CDS in the election campaigns of certain political parties. "Some say that we destroyed their campaign literature and that in some way or other, we meddled in order to ruin the development of their political proselytism, but that truly is not so.

"While we are connected with the Front, the orientation is that the CDS contribute to the preservation and respect for the political propaganda of other parties. We have offered seminars on the Election Law and particularly on bans so that our rank and file will not be guilty of violations of the law."

The guerrilla leader then explained what some view as scheming, although for the majority it is political maturity. "The CDR members who belong to other parties can make propaganda for their organization, even on CDR premises. They can call for meetings, but explicitly saying that it is to present their party's positions."

In this connection, she warned about how harmful it would be to call for a meeting in order to put out political propaganda on the pretext of discussing the supply problem. "The people can confront them because they are being deceitful and in addition, because they are trying to impose something with which the people do not agree."

The official added that the rank and file has been oriented to respect the posts occupied by comrades from other political parties. She recalled that a citizen was recently removed from his CDR post for belonging to the Socialist Party. The national leadership ordered his reintegration, heeding a motion from the neighborhood affected.

## CDS-State Relationship

Fortified by cold tablets, Herrera went on to a different topic: the relationship with the Revolutionary Government. "We believe that the government makes every effort to comply with part of the people's demands. We are clear that it is a revolutionary government, although there are still manifestations of officials not in keeping with the principles of the revolution.

"We therefore have to be vigilant with respect to those openly opposing the revolution as well as those who do so allegedly within the revolutionary framework. We must be critical and timely in pointing out failings and being ready to help overcome those deficiencies. The CDS defend the Revolutionary Government."

Herrera also took up the fundamental limitations of the CDS and in doing so, again touched upon the state. There are certain officials who do not cooperate in establishing the proper coordination that the CDS require in providing a solution to, for example, the needs of a district, whether in the way of electric power, drinking water, the paving of streets, supplies, and so on.

She noted that at the central level, coordination is good, but that in the region and zone, it is "mission impossible." She observed that in Region 2, communication is needed with the representative of MINVAH [Ministry of Housing and Human Settlements] and this has not been possible.

Herrera pointed up contradictions with certain police sections that pay no heed to CDR members, do not comply with demands, do not respect provisions concerning the location of bars. She also noted problems in patrols, adding that many revolutionary vigilantes complain.

Another limitation of the CDS is the lack of professional personnel, which affects the entire structure of the organization. "If we do not pay attention to the people, they 'go off half-cocked' because they need a constant flow of the proper way to work. Otherwise, they apply erroneous concepts and arbitrary action occurs. We have to have enough comrades to cover all structures.

"In general, the organization has been consolidated and the Nicaraguan people identify with the CDS. The need for committees is undeniable. We must also emphasize the political and ideological development of the membership of the organization and fundamentally, the role it has played in defending the revolution."

The CDS are a fundamental force of the revolution.

11,464

CSO: 3248/6

CST ASSEMBLY'S RESOLUTIONS IN WAKE OF LABOR DISPUTES

Managua EL NUEVO DIARIO in Spanish 10 Sep 84 pp 1, 10

[Text] Following a day and a half of discussion and heated debate, trade union officials participating in the Third National Assembly of the Enrique Lorente Trade Unions, held at the CST [Sandinist Central Organization of Workers] on 8 and 9 September, issued a document containing ten resolutions.

Deeming them to be of exceeding importance, due to the current situation of aggression facing the country, EL NUEVO DIARIO is reprinting the historic resolutions issued by trade union leaders, resolutions affecting workers belonging to the CST, the UNE [National Union of Employees], ANDEN [National Association of Nicaraguan Teachers], the ATC [Association of Agricultural Workers], FETSALUD [Federation of Health Workers] and the UPN [Union of Nicaraguan Journalists].

1) To man and consolidate military defense forces, from the SMP [expansion unknown] to Revolutionary Vigilance.

The defense of our government implies our integration into all forms of defense.

It is we the workers who have the greatest obligation to defend the power of the workers because we defend not only the right to organize, but also the right to health, housing, work, life itself and the right to our future and that of our children.

We workers are willing to become a solid rear guard for the war on the front in order to defeat imperialist aggression and crush it.

2) To fight to ensure that at all work centers, production standards are drafted enabling us to achieve the highest possible productivity per worker, based on the productive experience of each center.

We workers have to raise levels of production and productivity in order to strengthen the war fronts and maintain the subsistence levels of our people, while strengthening our economy through strategic investments.

This is not possible if we do not develop a conscious discipline in order to make the most of the work day and thereby earn the moral authority to criticize administrative deficiencies and promote a joint policy with government agencies in order to correct them.

3) To solve labor problems and conflicts through negotiations, without halting production.

We workers must be aware that any halt in production means a weakening of our economy and promotes imperialist pretexts to invade us.

The strike is a form of struggle used by workers against their class enemy, the capitalist exploiter. This form of struggle has no place in Nicaragua because power is in the hands of the workers.

4) To support territorial distribution, ensuring a proper distribution of material goods.

We believe that territorial distribution is the fairest way to distribute fairly the few resources we have and thereby guarantee our subsistence.

Given possible outbreaks of hunger as a result of an intensification of the war, we workers must promote family and institutional gardening.

We favor stricter control of production and demand effective application of the Consumer Law.

At the same time, in the Regional Supply Committees, we shall propose that in order to back the collection of basic products, trucks be used that at certain times are underemployed in our enterprises. These trucks may support the Ministry of Domestic Trade, both in shipping products out of production areas as well as in carrying those products to other territorial outlets.

5) To ask the Revolutionary Government to enforce application of the first subsystem of SNOTS [National System for Work Organization and Wages] (examiners) and immediate revision of the scale.

We workers must be aware that SNOTS still has to be applied to various sectors of workers and that it is necessary to complete this phase in order to enter the revision phase.

In addition, we ask the Revolutionary Government to put an end to the incorrect practice of certain administrative leaders who, by failing to respect the application of SNOTS, stimulate wage anarchy.

6) To revise the purchase of goods produced at our work centers at cost price.

We workers must review the assigned quotas of goods produced by our enterprises, since this practice stands in the way of a rational distribution of resources and facilitates speculation. We therefore ask for a reduction in assigned quotas.

7) To organize Sandinist emulation at work centers.

We workers must promote the attitude of emulation, imitating the best worker or group of workers, in order to improve production and productivity, providing moral and material incentives to the best workers.



8) To recognize international solidarity.

We recognize the solidarity of workers of the world in condemning the imperialist aggression aimed at the Nicaraguan people and we ask them to continue to demonstrate their effective solidarity with material support through the sending of consumable expenditures, medicines, spare parts and farm machinery and implements, based on their possibilities.

9) Absolute support for the FSLN Fight Plan.

We support with revolutionary firmness and conviction the FSLN Fight Plan, which is the Fight Plan of Nicaraguan Workers and all our people.

10) In order to meet these great challenges, we officials participating in the National Assembly of Enrique Lorente Trade Unions pledge to maintain close contact with our rank and file and a continuing explanation of the main problems, however difficult they may be, and to overcome organizational failings and deficiencies in order to meet this historic challenge.

More productivity! More discipline! More organization! More production!  
Everything for the war fronts! Everything for the soldiers! Long live the Sandinist people's revolution!

11,464  
CSO: 3248/5

PAPER BLAMES SPECULATORS FOR LABOR PROBLEMS

Managua EL NUEVO DIARIO in Spanish 10 Sep 84 p 2

[Editorial: "Fighting Speculation in Order To Defend Wages"]

[Text] This weekend, revolutionary trade union officials are holding a national assembly for the purpose of analyzing problems now confronting the working class under the present circumstances.

At a preliminary meeting, it was agreed that resolutions would be passed at the assembly on highly sensitive issues for the working class, such as wages, production, work discipline, speculation, stockjobbing, and so on.

EL NUEVO DIARIO takes up the proposal formulated by revolutionary trade union officials in the sense that the problem mainly affecting workers is speculation, which has a fundamental impact on supply and prices of basic items.

Actually, as long as we do not take drastic action to end the work of hoarders and speculators, the problem of wages will remain as a vicious circle because the day wages of workers will always be under the speculative prices that tend to rise every day, as observed in practice.

This is what is happening with the establishment of the National System for Work Organization and Wages, with labor leaders already asking for its revision when only a few months ago, it was partially applied to different branches of labor.

We believe that the position of the labor leaders of fighting in every possible way to resolve problems of production and supply not only constitutes a proper revolutionary attitude, but also responds objectively to the facts, as an essential basis for defending wage increases.

It is an undeniable fact that any adjustment in workers' wages is absorbed with tremendous speed by the effects of speculation, meaning that basically, the readjustments only benefit speculators rather than the productive forces.

As a result of all the foregoing, one can clearly conclude that it is not through strikes that one can resolve the problems of wages and supply, but rather, by attacking with the proper effort the activities of the speculators

so that the workers may buy basic products at officially established prices and thereby defend the real output of their wages.

Consequently, the main task to be carried out immediately is that both the Ministry of Domestic Trade as well as organized workers must ready their skills and forces to fight speculators unrelentingly and with the law on their side, ensuring that the new distribution networks for basic commodities will operate properly and with the greatest efficiency.

11,464

CSO: 3248/5

# CONFERENCE ON NATIVE COMMUNITIES SEEKS GOVERNMENT HELP

Lima EL COMERCIO in Spanish 19 Sep 84 p A-15

[Article by Victor E. Rodriguez Olaechea]

[Text] Caballito, Loreto—At the 2nd Conference of Native Communities of the Morona River, organized by the U.S. organization "World Neighbors" for the purpose of studying the problems of native groups in the region, and attended by several tribal communities, the "apu Tariri" or chief of the Shapras of Shuroyacocha confronted the Yurimaguas authorities who were present and the government, requesting that they fulfill their obligations and "that they stop deceiving us as if we were not subjects of the government."

Joining the demand of other tribal chiefs, Tariri stated: "You have abandoned us as if we were rotten tree trunks that must be uprooted because they are useless."

The Shapra chief spoke in his dialect with a great deal of resentment, demanding that the promises made at the first conference, held last year, be fulfilled. "Where is the corrugated iron for our schools?" he asked. "Where are the medical station and the medicines? Our children are dying.

"They show us how to grow rice; now we have 30 tons. Why don't they help us to transport it to Lima? They tell us that there (in Lima) people are dying of hunger, and here we have food for them to eat.

"World Neighbors is helping us, teaching us how to work, giving us tools. And why does the government abandon us? There are no books, there is no chalk, there are no notebooks, there are no pictures of the heroes; the children have no place to sit, they learn (to add and subtract) with pebbles and dry leaves. We want to work, to build our schools, we want to progress.

"We have no teachers. Our teacher (his brother) is about to finish up his 25 years and retire. We want another teacher from among our own; we don't want an outsider, because they don't know us," he commented.

The once feared leader, whose orders were carried out unquestioningly, today asked humbly, without losing his pride as chief of his tribe, "On behalf of my brothers, (I ask) that you come through for us, that you stop deceiving us."

"In 1983 you told us that there was no money for the project, that it would be this year; now you tell us that there is no money, wait until next year. Tell us that you will not help us so we won't get our hopes up.

"You always say you have come to study (referring to anthropologists, biologists, etc.). Haven't you studied at the university? What are you going to study among us? Don't you know us?"

After he calmed down, in an aside to EL COMERCIO he said, "Tell the government not to abandon us, to help us, because we are Peruvians, we are its subjects. I asked the government (referring to the meeting he had at the Palace with the military government on his way to the United States) to help us. It has promised and not come through; its officials paid no attention."

"I was a warrior," he added, "but the institute (Summer Institute of Linguistics) taught me not to kill, to be good, to work, to love my brothers who used to be my enemies. Now we all want progress."

The words spoken by the "apu Tariri" at the meeting were approved by the Achuales, the Huambisas, the Shapras and the Aguarunas in their various dialects, and at one point all of them supported what one of them stated, to the effect that "if they continue to abandon us, we will cross the border, as other families have already done."

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CSO: 3348/1



# FIRST SEMESTER LOANS DOWN FROM LAST YEAR

Lima EL COMERCIO in Spanish 19 Sep 84 p A-13

[Text] During the first 6 months of this year, Peru took out international loans totaling only \$227.8 million, finding itself still beset by the problems of the world financial market. This amount is only 16 percent of what was contracted during the same period of 1983 (\$1.4151 billion).

The following loans were obtained:

- \$60 billion from AID to shore up the balance of payments. Of this amount, \$45 million, converted into sols by the Central Reserve Bank, as is known, went to the Industrial Reactivation Fund (FRI) of the Industrial Bank.

- \$16 million from the Canadian Wheat Board, also to support the balance of payments.

- \$10 million from the KFN [expansion unknown] of Germany for the Tinajones Project.

- \$40 million from the World Bank (IBRD) for the Chanchamayo-Satipo Project.

- \$42 million from the Inter-American Development Bank (IADB) for the Jaen-San Ignacio-Bagua Project.

- \$37.5 million from other agencies and governments.

- \$16.5 million from bankers for food imports under a program guaranteed by the Commodity Credit Corporation of the United States.

- \$1.1 million also from bankers, for the Atarjea expansion project.

- \$4.7 million from different suppliers for the purchase of various products.

Despite the lower amount of loans contracted abroad, disbursements during the first 6 months were higher than those of the same period last year.

A total of \$464.8 million came into the country, as opposed to \$401 million before. The reason was that the government managed to speed up the payment of credits obtained from multilateral agencies (IADB, World Bank), and from

banks, which contributed \$100 million of the \$450 million contracted in 1983 along with the bank refinancing agreement.

The distribution by sector was as follows:

- \$218.5 million for the central government
- \$49.0 million for public financial enterprises
- \$178.5 million for non-financial public enterprises
- \$18.8 million for public institutions

On the other hand, payments to service the debt between January and June, the period in question, rose to \$341 million, of which \$115.8 million corresponds to principal and \$225.3 million to interest.

The government had to pay a higher amount of debt service because it is in this area that the financial costs of previous debt rescheduling are felt the most. Constant rises in bank interest rates also had an impact.

If the debt service is compared with outlays, it can be seen, with respect to the medium- and long-term public debt, that a net positive income of approximately \$127.3 million has been obtained.

As for the balance of the medium- and long-term public debt, by the end of December it totaled \$8.789 billion.

If we then add the \$464.8 million in outlays and subtract the \$115.8 million in principal payments, the balance of the debt by the end of June comes to \$9.1389 billion, which indicates that during the first 6 months of this year the debt grew by approximately \$349 million.

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CSO: 3348/1

## BRIEFS

MORALES BACKER SAID NARCOTRAFFICKER--One of the principal--and secret--financial backers of Francisco Morales Bermudez' candidacy is reportedly an unknown multimillionaire whose quick rise to riches is said to be linked to drug trafficking. His name: Vicente Diaz Arce. This obscure man, known as "the king of cloth," is probably the biggest tax evader in the country. The National Treasury is reported to have opened a thick file--No. 397-83--on Tax Evasion and Smuggling amounting to 6 billion sols. This file is said to have been mysteriously lost at the Public Ministry. Vicente Diaz Arce, with Morales' support, supposedly said that this file was taken out at his request by former Treasurer Miguel Caverro Egusquiza. The latter reportedly denied this accusation indignantly. Curiously, Diaz Arce, who has made temporary imports through Customs and billions of sols in non-traditional exports, seems to have reported them honestly in his affidavits. In addition, he owns the newspaper that is being established, LA NOTICIA, which is to be the voice of "moralism." [Text] [Lima EQUIS X in Spanish 17 Sep 84 p 15] 8926

CSO: 3348/1

## SURINAME

### BRIEFS

NEW AMBASSADOR TO OAS--On last Friday, 24 August, the Surinamese ambassador, D. McLeod, presented his credentials to the president of the Permanent Council of the OAS, Ambassador Claudio Volio Guardia. Thus, Ambassador McLeod assumed his responsibilities as Suriname's representative in the OAS. The OAS (Organization of American States), which was established in 1890 and currently numbers 31 members (member countries), has the goal of creating a balance between the American nations. Furthermore, it offers an opportunity for political, social, economic and cultural cooperation. Suriname joined this organization as a full-fledged member on 22 February 1977. Ambassador McLeod, who became Suriname's permanent representative at the OAS effective 24 August, is the successor to Ambassador H. Heidweiller, who represented Suriname in this organization starting in 1981. BUZA/NVD [Foreign Affairs Ministry/National Information Service]. [Text] [Paramaribo DE WEST in Dutch 27 Aug 84 p 1] 12507

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